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Proceedings

(423)

THE
REPORTS OF COMMITTEES

OF THE
HOUSE OF REPRESENTATIVES

FOR THE
SECOND SESSION OF THE FIFTY-FIRST CONGRESS,

1890-'91.

WITH INDEX.

IN SIX VOLUMES.



WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1891.



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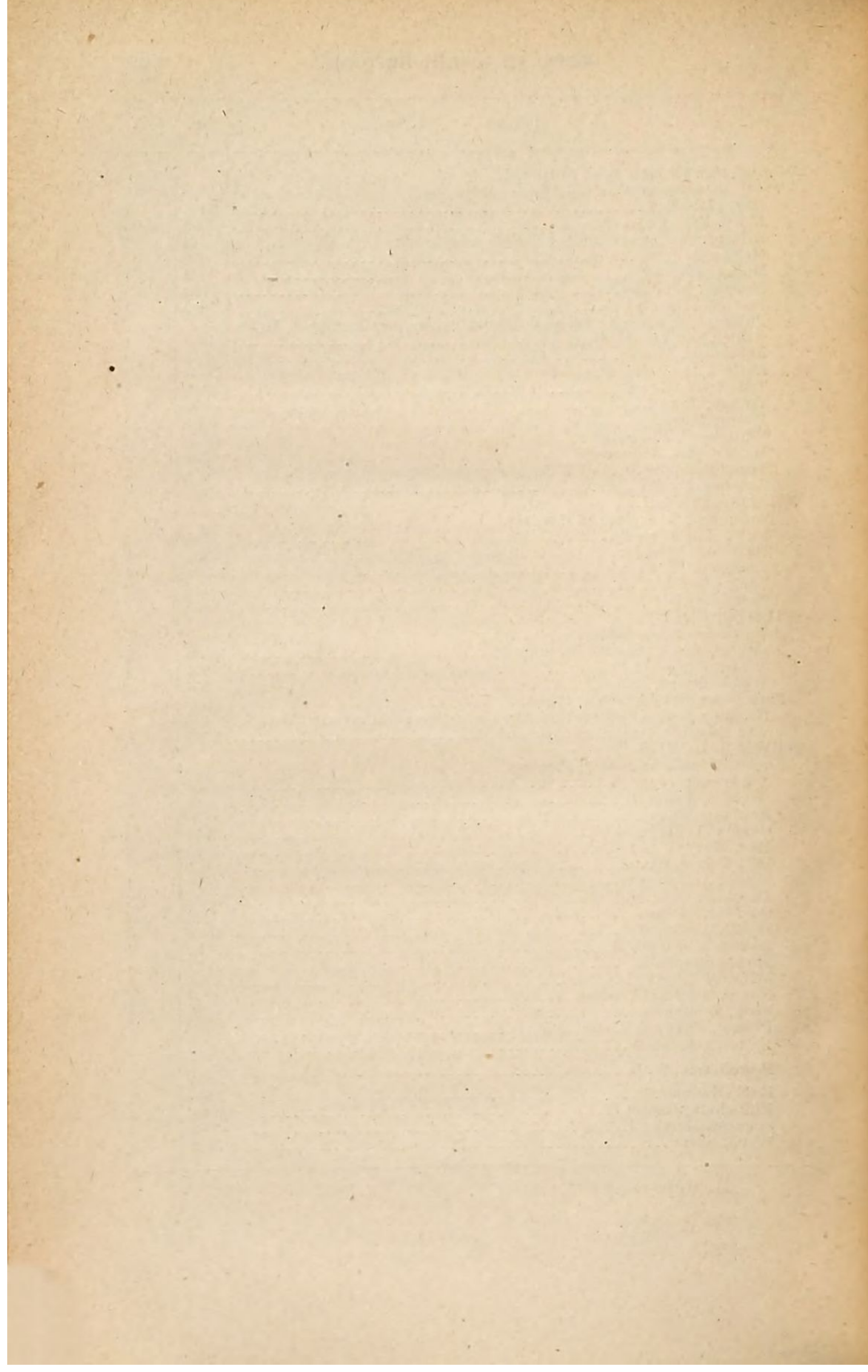
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MARY A. RIPLEY.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BELKNAP, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13575.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13575) granting a pension to Mary A. Ripley, submit the following report:

Mrs. Mary A. Ripley is now a pensioner at the rate of \$12 per month, under special act of Congress approved June 24, 1886, on account of her services as a nurse during the late war. She is also the widow of Z. Howe Ripley, who served as a member of Company G, Thirty-fifth New York Volunteers, and died September 6, 1889, of diseases due to his Army service. He was a pensioner at \$50 per month on account of debility from typhoid fever and rheumatism, and left inguinal hernia. Mr. Ripley at date of his enlistment was a physician, and although an enlisted man only, rendered valuable services in the Medical Department of the Army, and until his disabilities disqualified him for active field duty and necessitated his discharge upon surgeon's certificate of disability. Subsequently he entered the service again as a medical officer under contract, but his disabilities became more aggravated and he was compelled to withdraw. In fact he never was able thereafter to earn sufficient for the support of himself and family, and gradually grew worse and became totally helpless, physically and mentally, some years before his death.

The claimant was the wife of the soldier for 53 years. She nursed and cared for him tenderly during his long years of suffering and dependence upon others. Past 70 years of age, broken down in health, and without any income except her small pension as a nurse, she now asks that she be allowed also a pension as the widow of a soldier who sacrificed his health in the defense of his country.

Others have had similar requests complied with, and your committee are unable to find one case more meritorious than the one under consideration.

The bill is therefore returned with the recommendation that it do pass, amended, however, by striking out all after the word "pension," in line 9, and insert therein instead the words "at the rate of twenty-four dollars per month, in lieu of the pension now received by her;" also by striking out the words "doctor of medicine," in line 7.

PORTRAIT OF JOHN PAUL JONES.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. O'NEILL, of Pennsylvania, from the Committee on the Library, submitted the following

REPORT:

[To accompany S. 3397.]

The Committee on the Library, to whom was referred the act (S. 3397) for the purchase of George B. Matthews' portrait of John Paul Jones, do hereby report the same to the House with a favorable recommendation.

His portrait should be in possession of our Government to be placed among those of other distinguished American heroes of the Revolutionary war.



MARY A. BAILEY.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 1290.]

The Committee on Pensions, to whom was referred the bill (H. R. 1290) granting a pension to Mary A. Bailey, have considered the same and report as follows:

The claimant is the daughter of Thomas Vance, who served from 1777 to 1780 in the New Jersey regiment commanded by Colonel Spencer in the war of the Revolution. He received a pension at the rate of \$96 per annum on account of said service.

It is reliably shown that Mary A. Bailey is 84 years old, and very feeble, poor, and dependent. Five of her brothers served in the war of 1812.

There are several precedents for the allowance of pensions to the aged and dependent daughters of the soldiers of the wars with Great Britain; that of Delia Stewart Parnell is one of them.

Your committee therefore return the bill, recommending its passage.



NATHANIEL MOON.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13443.]

The Committee on Pensions, to whom was referred the bill (H. R. 13443) granting a pension to Nathaniel Moon, have considered the same and report :

The claimant's military history is shown in the following communication :

WAR DEPARTMENT,
Washington City, January 30, 1891.

SIR: In reply to your communication of yesterday, received at this Department to-day, requesting to be furnished with the military record of Nathaniel Moon, Florida war, I am directed by the Secretary of War to inform you that the official records show Nathaniel Moon, private, Captain Pruitt's company, Colonel Snodgrass' regiment, Alabama Volunteers, Creek war, enrolled October 26, 1837, to serve 6 months, and mustered out of service with the company April 14, 1838.

Very respectfully,

F. C. AINSWORTH,
Captain and Assistant Surgeon, U. S. Army.

Hon. THOMAS C. McRAE, M. C.,
House of Representatives.

Accompanying the bill is the testimony of G. W. Norman, W. M. Gatling, and H. J. Scraggin, citizens of Ouachita County, Ark., setting forth that Nathaniel Moon is 72 years old, in very poor health, almost totally deaf, and with no income, and that it is impossible for him to support himself and wife.

The passage of the bill is recommended.

○

AGNES C. JUNOT.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13318.]

The Committee on Pensions, to whom was referred the bill (H. R. 13318) granting a pension to Agnes C. Junot, have considered the same and report:

Mrs. Junot is the widow of Charles Junot, who was pensioned at \$8 per month by special act of Congress approved October 16, 1848, and died April 23, 1890.

The report on the deceased soldier's bill shows the service upon which his pension was based and reads as follows:

The claimant, under the name of Thomas Jones, was a private in Capt. Alexander Jernigan's company of Florida Mounted Militia from March 2, 1840, to November 14, 1840; and the regiment did duty in the Florida Indian war. A land warrant was allowed this claimant for the services rendered, his identity being established in that claim.

He is now 66 years of age, and in needy circumstances, being also physically disabled.

His case would fall within the provisions of the general-service pension bill for the survivors of the Indian wars from 1832 to 1842, favorably reported by this committee at the present session of Congress.

Your committee recommend the allowance to the claimant of a service pension, and therefore report the bill back recommending its passage; amended, however, by striking out, in lines 4 and 5, the words "subject to the provisions and limitations of the pension laws," and inserting at the end of the bill the words "and pay him a pension at the rate of \$8 per month."

Dr. J. C. Hood, of Louisville, Ky., certifies under date of January 17, 1891, as follows:

I hereby certify that I attended Charles Junot, deceased, and have known his widow before and since the death of her husband. I know her to be a deserving woman and in need of the pension which her husband received before his death. She is entirely dependent, with no source of income except her own labor.

The passage of the bill is respectfully recommended.

○

LUCY WOOD.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany S. 4706.]

The Committee on Pensions, to whom was referred the bill (S. 4706) granting a pension to Lucy Wood have considered the same and report :

Said bill is accompanied by Senate report No. 1887, which your Committee adopt as their report and return the bill recommending its passage.

[Senate Report No. 1887, Fifty-first Congress, second session.]

The petitioner, Lucy Wood, of the town of Barre, State of Vermont, represents that she is 105 years of age ; that she is the widow of John Wood, who served as teamster in the war of 1812, and died in the year 1857 ; that her claim, No. 5022, was rejected, as she understands it, on the ground that her husband served as teamster unenlisted in said war of 1812 ; that she is without other means of support than her manual labor ; all her effects would not exceed \$100 in value ; that her eyesight being good she supports herself in part with the use of her needle ; that she is dependent upon her labor and her friends for a support.

Your committee would therefore recommend the passage of the bill.

○

MARTHA A. BROOKS.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 12564.]

The Committee on Pensions, to whom was referred the bill (H. R. 12564) granting a pension to Mrs. Martha A. Brooks, have considered the same and report as follows:

Mrs. Brooks is the widow of Josiah M. Brooks, who served as a private in Capt. John L. Mean's company of Georgia Volunteers, in the Creek Indian war of 1838. His service in said company covered a period of 3 months and 10 days.

In an affidavit accompanying the bill, J. M. Ammans and J. W. Arnold, citizens of Walton County, Ga., testify that Mrs. Brooks is between 70 and 75 years old, in feeble health, and entirely unable to support herself by manual labor; also, that she has no property or income except a life interest in 40 acres of land, and that the income from the same is entirely insufficient to support and maintain her.

Your committee have reported a general bill to the House which, if passed, would give this applicant a pension. There are numerous precedents for the allowance of pensions by special act to the widows of the old Indian war soldiers, and as this claimant is shown to be deserving and needy, the passage of the bill for her relief is recommended, with an amendment to fill in the blank in the bill with the word "twelve," so as to fix the rate of pension at \$12 per month.



DAVID SANDERS.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13340.]

The Committee on Pensions, to whom was referred the bill (H. R. 13340) to pension David Sanders, have considered the same, and report:

The claimant was a private in Capt. Charles Pettigrew's company of the First Arkansas Mounted Volunteers, and served from September 3, 1836, to January 23, 1837, in the Indian war of that period. His service was subsequently recognized by the United States Government by the allowance of bounty land.

Testimony accompanying the bill shows that the claimant is about 73 years of age and too infirm to make a support by manual labor. It is also shown that he is in needy circumstances.

There are many precedents for the allowance of pensions to the aged and worthy survivors of the old Indian wars, and your committee therefore return the bill with a favorable recommendation.

Amend by inserting the initial "S." in the claimant's name, so as to read "David S. Sanders."

EVALINE LAVERTY.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13445.]

The Committee on Pensions, to whom was referred the bill (H. R. 13445) granting a pension to Evaline Laverty, have considered the same and report as follows:

Mrs. Laverty's father, Joseph Darling, served 6 months as a soldier in the Revolutionary war with the Massachusetts troops commanded by Captain Wilder and Colonel Nelson. This service is a matter of record in the Bureau of Pensions.

It is reliably shown that Mrs. Laverty is now 86 years old and very feeble, and that she owns no property of any kind except her bed; also that she is wholly dependent for support upon her daughter, who is herself very poor.

There are several precedents for this legislation, and in view of the great age and dependent condition of the applicant your committee recommend the passage of the bill with an amendment to fix the rate of pension at \$25 per month.



MAURICE O'CONNOR.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13005.]

The Committee on Pensions, to whom was referred the bill (H. R. 13005) granting an increase of pension to Maurice O'Connor, have considered the same and report as follows:

The claimant was a marine on the United States frigate *Congress*, and rendered service in the Mexican war, for which he is now pensioned under the act of Congress relating to Mexican war service. In addition to his service in said war the claimant served again as a marine in the United States service from January 21, 1852, to October 9, 1852, when he was discharged on account of disability; he has never recovered from the disease contracted in the service (chronic diarrhea), but has been disabled thereby more or less ever since.

John Miller and George Glorius, citizens of Washington, D. C., testify that Mr. O'Connor has, by reason of disability arising from chronic diarrhea and impairment of mind, been an invalid and confined to his house for the past 10 years; also that he can do no manual labor whatever, and is at present and has been for many years wholly dependent upon his wife for support. His wife goes out daily to labor, and they are now in great need of financial assistance.

Mr. O'Connor is 68 years old.

In view of the facts stated above, your committee recommend the passage of the bill with an amendment to fix the rate of pension at \$20 per month.

LEAH ALLEN.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13526.]

The Committee on Pensions, to whom was referred the bill (H. R. 13526) granting a pension to Leah Allen, have considered the same, and report:

Mrs. Allen is the widow of Marcus La Fayette Allen, late a sergeant of Company G, Fifth Tennessee Volunteers, in the Mexican War, and she is now drawing the service pension provided by the Mexican war pension act of January 29, 1887.

In her petition Mrs. Allen states she is 76 years old, without property or income aside from her small pension of \$8 per month, and totally unable by reason of age and infirmity to do any work by which to support herself. She further states that she is now dependent for support upon the charity of others not legally bound to care for her, and that for the past 5 years her mental and physical condition has been such as to require the constant aid and attendance of another person.

J. W. Allen and J. A. Burchfield, citizens of Amity, Ark., fully corroborate under oath all of the applicant's statements.

The passage of the bill is respectfully recommended.

Amend by changing the title of the bill so as to read "A bill to increase the pension of Leah Allen."



WILLIAM MARTIN.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 12798.]

The Committee on Pensions, to whom was referred the bill (H. R. 12798) granting an increase of pension to William Martin, have given the same due consideration and report :

The claimant served as a private in Company C, First Michigan Volunteers, in the Mexican war, and while in Mexico received in the line of his duty an injury of the left foot, for which he is now receiving under the general pension laws a pension at the rate of \$30 per month.

On the 22d of November, 1889, Mr. Martin made application to the Pension Bureau for an increase of the above-named pension, and in connection therewith he was ordered for examination before Drs. J. H. Crabbs, R. C. McDonald, and N. H. Brown, who compose the board of pension examining surgeons at Fremont, Nebr. The examination was held September 3, 1890, and the following is quoted from the report of same :

The claimant is 81 years old ; inspection shows a notable deformity of foot—shortening of 2 inches. We find an old dislocation of the two inner metatarsal bones which override the tarsus in such a manner that the weight of the body is thrown on end of metatarsal bone of great toe ; arch of foot entirely destroyed ; metatarsal bones are situated at an angle of about 45°. The great toe stands at a right angle with metatarsal bone.

Examination of heart shows the sounds weak and *intermission* ; has recurrent attacks of vertigo so that he requires constant oversight of an attendant. The latter facts are known to both Drs. Crabbs and Brown, who have attended him. The applicant also suffers from chronic diarrhea, for which he has also consulted Drs. Crabbs and Brown.

He is, in our opinion, entitled to \$50 per month for the sum of his disabilities.

The claim for increase was rejected by the Pension Office November 8, 1890, on the ground that old age and disabilities not included in his certificate were partially responsible for his condition.

Accompanying the bill is the statement of Hon. Geo. W. E. Dorsey, M. C., as follows:

I have known Mr. Martin for the last 20 years ; he is 82 years old, partially paralyzed, and totally helpless, requiring the constant aid of an attendant. He is very poor, having expended in his maintenance up to the present time all he had accumulated.

In view of the facts above stated your committee are of the opinion that the case is a proper one for Congressional action. The passage of the bill is therefore recommended with an amendment to **fix** the rate of pension at \$50 per month.

JOHN HAIN.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 12607.]

The Committee on Pensions, to whom was referred the bill (H. R. 12607) granting an increase of pension to John Heim, have considered the same and report as follows:

John Heim was a private in Company A, Second United States Infantry, and served a year in the war with Mexico. He is now pensioned, under certificate No. 12571, at \$8 per month on account of said service.

Peter Ballman, G. W. Becker, and John Kessler, citizens of Louisville, Ky., swear they have known the applicant many years, and that he is nearly 70 years old and very infirm, and that his wife's health is such that she constantly requires care and attention; further that he can not do the work necessary to support himself and wife, and if it were not for his pension (from which he has to pay rent and other expenses) he would have to depend upon public charity. It is also shown that the applicant is a sober, honest man, and does what little work he can at cleaning the street during the summer to help them along.

The passage of the bill is recommended with an amendment to change the spelling of the applicant's surname to *Hain*, and also to fix the rate of pension at \$20 per month.

SAMUEL T. CASTON.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 12100.]

The Committee on Pensions, to whom was referred the bill (H. R. 12100) granting a pension to Samuel T. Caston, have considered the same and report as follows :

Samuel T. Caston is the minor son of Samuel Caston, who served in the Mexican War as a private in Company E, Palmetto Volunteers of South Carolina, and who at the time of his death was a pensioner at \$8 per month under the Mexican war service pension act of January 29, 1887.

The soldier died July 5, 1890, leaving four children, all of whom were over 16 years of age except this claimant, who was born September 27, 1878, and consequently will not arrive at the age of 16 until September 27, 1894. The soldier's wife, the mother of this claimant, died July 30, 1886.

Samuel T. Caston, the applicant, is dependent for support upon his older brother, E. G. Caston, who is poor and crippled, he having but one leg.

The facts are all shown in an affidavit filed with the bill and signed by Thomas P. Lawless, J. H. Street, and J. M. Combest, citizens of Jasper County, Miss.

The Mexican war service pension act of January 29, 1887, makes no provision for the minor children of the survivors of the Mexican war, the presumption probably being that but few, if any, of those now living would have children less than 16 years of age at the present time. Your committee think it would be an act of justice to accord the same benefits to the children of Mexican war veterans as those accorded by the act of June 27, 1890, to the children of the soldiers of the late war. Therefore the bill is returned with a favorable recommendation.

Amend by striking out all after the word "ninety," in line 10, to and including the word "ninety-five," in line 11, and inserting in lieu thereof the words "until the 27th day of September, 1894."

ADAM DEITZ.

FEBRUARY 18, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 12855.]

The Committee on Pensions, to whom was referred the bill (H. R. 12855) granting an increase of pension to Adam Deitz, have considered the same and report as follows:

The claimant while serving as a musician in Company C, First United States Dragoons, received a fracture of the left wrist joint by being thrown from his horse at Fort Leavenworth, Kans., in January, 1849.

On the 1st of May, 1875, Deitz made application for a pension on account of said injury and, after careful investigation, the claim was allowed by the Pension Office, and he (Deitz) is now receiving \$16 per month therefor.

The testimony and certificates of medical examination on file in this case at the Pension Bureau all tend to show that the claimant is totally disabled for the performance of manual labor by fracture of the wrist and paralysis agitans. This latter disability Mr. Deitz has repeatedly endeavored to have included in his pension certificate, declaring the paralysis agitans to be a result of the fracture of the wrist, but the Pension Office has thus far declined to concede any pathological relation between the two disabilities.

Accompanying the bill is the sworn statement of the claimant's wife to the effect that he is totally helpless by reason of shaking palsy, and has been in that condition for the past 10 years, requiring constant aid and attention. She also states that the claimant has no income or resource aside from his pension, and that the small house in which they live in the village of Longton, Kans., is all the property he owns.

In a petition signed by 47 citizens of Longton, Kans., it is stated that Adam Deitz is now 71 years old and totally helpless by reason of "shaking palsy," which he claims to have resulted from injuries received in the service of the United States; also that Mr. Deitz is a good citizen, worthy and deserving, and that his present pension is totally insufficient for his support and attendance in his helpless condition.

Your committee find that the Pension Office, in rejecting the claim for resulting palsy, assigns no cause for the palsy except old age, aside from the fracture of wrist. All things considered there must be doubts respecting the cause of the palsy, and your committee believe that such doubts should be resolved in the applicant's favor.

The claim is therefore returned with the recommendation that it do pass, amended, however, to fix the amount of pension at \$30 per month.

MILITARY POST AT OR NEAR ESSEX JUNCTION OR SWAN-
TON JUNCTION, VT.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House on the state of
the Union and ordered to be printed.

Mr. CUTCHEON, from the Committee on Military Affairs, submitted the
following

REPORT:

[To accompany S. 4833.]

The Committee on Military Affairs to whom was referred the bill (S. 4833) to provide for the beginning the construction of a military post at or near Essex Junction or Swanton Junction, Vt., having considered the same would respectfully report:

A like bill has been favorably reported from your committee at the present session of Congress, a copy of such report is hereto attached and marked "Exhibit A." Your committee see no reason to change their former report, and recommend the passage of the bill.

H. Rep. 5—2

EXHIBIT A.

House Report No. 3394, Fifty-first Congress, second session.

JANUARY 9, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. CUTCHEON, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany H. R. 12258.]

The Committee on Military Affairs, to whom was referred the bill (H. R. 12258) to provide for beginning the construction of a military post at or near Essex Junction or Swanton Junction, Vt., submit the following report:

Swanton Junction is a railroad center near the northeastern extremity of Lake Champlain and within a few miles of the Canadian frontier. Railroad lines radiate from this point to all the Eastern States, and in case of necessity a large body of troops could be concentrated here from all New England and New York in a very short space of time.

In case of the unfortunate occurrence of hostilities between this country and Great Britain one of the first objects to which the military authorities would be required to direct their attention would be the defense of the northern frontier and the exclusion of the enemy's gunboats from the northern lakes.

While our opponents would have great advantages on the water our principal superiority would consist in the greater rapidity with which we could concentrate our forces upon the land.

The offensive-defensive policy which the situation would require that our military authorities should pursue would necessitate the rapid concentration of troops not far from the foot of Lake Champlain and a rapid advance with the view of excluding the naval forces of our opponents from the Great Lakes.

With a view to such concentration and advance a permanent force should be maintained, as a nucleus, at a point near the national boundary, on the line connecting Albany, N. Y., and Montreal, with express reference to such contingency.

While it is to be hoped that occasion would never arise for the actual employment of such a force, yet the same foresight and precaution which leads us to expend annually many millions upon the building of a navy would indicate that we should not refuse a few hundred thousand dollars to insure the protection of our great northern frontier.

The chief city of the Dominion of Canada lies but a few miles to the northward, and all history and experience teaches us that in the event of war the inevitable clash of arms will occur somewhere around Lake Champlain.

The committee believes that the proposed military post is in strict

accord with our true military policy, and our inevitable necessities in case of war.

Essex Junction is also a railroad junction about 20 miles south of Swanton Junction, and not far from the same distance from the capital of the State of Vermont.

The bill affords the Secretary of War the freedom of choice between these locations, the advantage of which arrangement must be obvious.

The committee append hereto communications from the Secretary of War and the Major-General Commanding the Army, giving their cordial approval to the bill.

The committee recommends that the bill be amended by inserting after the word "land," in line 10, the words "at or near either of said places," and that, as so amended, the bill do pass.

WAR DEPARTMENT,
Washington, December 17, 1890.

SIR: I return herewith, H. R. 12258, "to provide for beginning the construction of a military post at or near Essex Junction or Swanton Junction, Vt.," referred to this Department on the 11th instant, and invite attention to the inclosed copy of a report dated the 16th instant, by the Major-General Commanding the Army, in whose views I concur.

Very respectfully,

REDFIELD PROCTOR,
Secretary of War.

The CHAIRMAN OF THE COMMITTEE ON MILITARY AFFAIRS,
House of Representatives.

HEADQUARTERS OF THE ARMY,
Washington, D. C., December 16, 1890.

SIR: I have the honor to return the House bill 12258, entitled "A bill to provide for beginning the construction of a military post at or near Essex Junction or Swanton Junction, Vt.," with the following remarks:

However slight may seem the probability of any future rupture of friendly relations between the United States and Great Britain, the enormous naval power of the latter makes it necessary to take that country into account in the preparations made by the United States for defense against possible foreign aggression.

The problem of defense of the seacoasts is comparatively simple, while that of the northern frontier is more complicated. A passive defense of the northern line by the aid of fortifications would be impracticable, for the reason that such defenses would not close the water ways lying wholly within the Dominion of Canada, by which British gunboats could enter the northern lakes. But even if such a passive defense were practicable it is presumed that the political policy of the United States would be wholly inconsistent with such a military policy in the event of war between the United States and Great Britain. That political policy would, it is presumed, demand prompt and energetic operations of an army in the field. The purely military policy would, fortunately, be entirely in accord with such political policy, for by that means the greatly superior power of the United States in its ability to bring into the field an army of any requisite strength could be made to more than counterbalance the immense naval power of Great Britain.

As a preparation for the execution of this harmonious political and military policy, in the event of any future necessity, it is necessary to maintain, at proper points on the northern frontier, the nuclei of troops of all arms—infantry, cavalry, and artillery—where the forces from the adjoining States might immediately unite to take the initiative in such military movements as might be requisite to prevent the enemy from using his waterways to move gunboats into the lakes.

With this end in view a cavalry station suitably located near the northern border of New England is requisite. An infantry and light-artillery garrison at Plattsburgh and another at Madison Barracks are other essential features of this plan.

It is not practicable for the States to maintain, as a part of their National Guard, any considerable effective force of cavalry or light artillery. It is therefore necessary

for the United States to maintain at important strategic points such regular forces, especially light artillery and cavalry, as may be necessary in any emergency to act with the State forces constituting the main body of an army suddenly called into the field.

For these reasons I have the honor to recommend the bill above referred to to your most favorable consideration.

Very respectfully,

J. M. SCHOFIELD,
Major-General Commanding.

The SECRETARY OF WAR.

ESTATE OF THOMAS C. MONROE.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SMITH, of Illinois, from the Committee on Claims, submitted the following

REPORT:

[To accompany H. R. 7922.]

Your committee have had under consideration the bill (H. R. 7922) for the relief of the estate of Thomas C. Monroe, deceased, and report the same back with the recommendation that it pass.

The records of the Post-Office Department show that the sum named in the bill is due for service rendered under a mail contract. The contractor is dead and the bill seeks to pay the sum due to his estate. The following letter from the Auditor of the Treasury for the Post-Office Department shows that the claim is just:

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST-OFFICE DEPARTMENT,
Washington, D. C., February 26, 1890.

SIR: In reply to the inclosed letter of T. C. Monroe, esq., relative to a claim for mail service performed by his father, Thomas C. Monroe, deceased, in 1861, I have the honor to inform you that the records of this office show that Mr. Monroe was the contractor on route No. 7134 (Marion to Prattsville), in the State of Alabama, from July 1, 1858, at \$949 per annum; that he was paid in full to December 31, 1860, and that he collected \$46.81, on account of the first quarter 1861, from the postmasters on the route, leaving a balance due him for service to March 31, 1861, the date to which service has been certified, amounting to \$190.44.

No provision has yet been made by Congress for the payment of this class of claims.
Very respectfully,

T. B. COULTER,
Auditor.

HON. THOMAS C. McRAE,
House of Representatives.

MRS. ELIZA WEAVER.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13665.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13665) granting a pension to Mrs. Eliza Weaver, submit the following report:

Claimant is the dependent mother of Cassius Weaver, late private of Company E, Forty-sixth Regiment of Indiana Volunteers. Cassius Weaver filed declaration for pension April 3, 1879, alleging heart disease resulting from an injury received to his breast in March, 1865, by a train being thrown from the track near Harper's Ferry while on his way from Indiana to Virginia. His claim was rejected May 31, 1882, because of claimant's inability to furnish satisfactory evidence that the disability alleged was incurred in service, there being neither medical nor record evidence thereof. The evidence clearly shows that claimant was on the train which was thrown from the track, that he received severe injury to his breast therefrom, and that he was in line of duty. The examining board, November 30, 1880, find positive evidence of heart disease, pulse very weak and too rapid, and rate soldier at total disability. In March, 1882, medical examination disclosed increased disability of heart disease. Three months later the soldier died from the effects of said disease. The evidence of his family physician and other witness shows that he was a sound and healthy man prior to enlistment and that at his return home from the service, and subsequently until the time of his death, he was broken down in health and unfitted for manual labor. From the facts set forth your committee are of the opinion that the soldier's death was due to his service. The soldier leaves no widow or minor children and no one is drawing a pension on his service. Claimant is seventy-five years old, dependent, and has no means of support.

Your committee make favorable report and recommend that the bill do pass.

CYNTHIA H. QUACKENBUSH.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered
be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 10485.]

The Committee on Pensions, to whom was referred the bill (H. R. 10485) for the relief of Cynthia H. Quackenbush, have considered the same and report:

The claimant, who is now about 63 years old and in very limited circumstances, pecuniarily, is the widow of the distinguished naval officer whose record is reported as follows:

RECORD OF SERVICE OF S. P. QUACKENBUSH, LATE REAR-ADMIRAL U. S. NAVY.

S. P. Quackenbush was appointed acting midshipman February 15, 1840. April 18, 1840, ordered to the receiving ship at New York. September 26, 1840, ordered to the *Boston*; August 8, 1843, detached and granted 3 months' leave. October 18, 1843, ordered to the *Raritan*; January 10, 1845, detached from the prize brig *Porpoise*, and granted 3 months' leave.

September 6, 1845, ordered to the Naval School to report October 10, 1845. July 13, 1846, detached from the Naval School. August 5, 1846, warranted a passed midshipman from the 11th July, 1846. October 14, 1846, ordered to the *Albany*; transferred to the *Supply*; December 9, 1848, detached from the *Supply* and granted 3 months' leave. April 21, 1849, ordered to the "Legare" Coast Survey. November 23, 1849, detached and placed on waiting orders.

December 5, 1849, ordered to the Coast Survey; May 15, 1850, detached and ordered to the mail steamer *Pacific*; April 26, 1851, detached and placed on waiting orders.

June 25, 1851, ordered to duty on Coast Survey; October 8, 1851, detached and ordered to the mail steamer *Illinois*; April 5, 1852, detached and ordered to the *Perry*; April 24, 1854, detached and placed on waiting orders. Warranted as master from the 1st of March, 1855.

Commissioned a lieutenant from September, 14, 1855. November 12, 1855, ordered to the *Potomac*; April 12, 1856, transferred to the *Wabash*; February 18, 1858, detached and granted 3 months' leave; August 24, 1858, ordered to the receiving ship at Philadelphia; June 14, 1859, detached and ordered to the *Congress*.

October 22, 1861, detached from the *Congress* and ordered to proceed to Washington and report to the Department. November 12, 1861, ordered to special duty at New York, and then to command the *Delaware*. Commissioned a lieutenant-commander from July 16, 1862. September 8, 1862, detached from the command of the *Delaware* and ordered to command the *Unadilla*. August 29, 1863, detached and granted one month's leave. October 26, 1862, ordered to command the *Pequot*. October 31, 1861, detached and placed on waiting orders.

December 9, 1864, ordered to the South Atlantic blockading squadron. Detached March 1, 1865. March 27, 1865, ordered to command the *Mongo*. July 12, 1865, detached and placed on waiting orders.

December 18, 1865, temporary command of the *Algonquin*. January 17, 1866, detached and placed on waiting orders.

February 3, 1866, ordered to command the *Conemaugh*; commissioned a commander from July 25, 1866; July 24, 1867, detached from the command of the *Conemaugh* and placed on waiting orders.

August 21, 1867, ordered to equipment duty at the navy-yard, Norfolk, Va.; May 22, 1869, also inspector of materials and supplies delivered at the yard; September

22, 1870, detached and ordered to temporary ordnance duty at the navy-yard, Norfolk, Va.; November 21, 1870, detached and ordered to command the *Pawnee*; February 8, 1871, detached and placed on waiting orders.

April 28, 1871, inspector of supplies navy-yard, Norfolk, Va.; December 21, 1871, detached and placed on waiting orders.

Commissioned a captain from July 25, 1871; January 3, 1872, ordered to command the *Terror*; detached January 25, 1873, and placed on waiting orders.

August 16, 1873, ordered to the receiving ship *New Hampshire*; August 14, 1875, detached and placed on waiting orders.

Commissioned a commodore, from March 13, 1880; December 15, 1880, ordered to command the navy-yard, Pensacola, 15th of January, 1881; May 12, 1882, detached and placed on waiting orders.

Commissioned a rear-admiral from the 28th July, 1884.

Placed on retired list from the 23d January, 1885.

Died at Washington, D. C., on the 4th February, 1890.

FRED RAMSAY,
Chief of Bureau.

After the death of Admiral Quackenbush the claimant was allowed a pension at the rate of \$30 per month under the general pension laws, but this and her other small resources are inadequate to her support. She is in bad health and unable to do any work for a living.

There are many precedents for the proposed legislation, and your committee therefore return the bill with a favorable recommendation.

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WILLIAM G. TIDWELL.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. WHEELER, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany S. 4376.]

The Committee on Military Affairs, to whom was referred the bill (S. 4376) for the relief of William G. Tidwell, having considered the same, have adopted the Senate report on such bill, submitted herewith and made a part hereof, and recommend the passage of the bill.

[Senate Report No. 1929, Fifty-first Congress, second session.]

The Committee on Military Affairs, to whom was referred the bill (S. 4376) for the relief of William G. Tidwell, have had the same under consideration and report it back favorably and recommend that it do pass.

The petitioner, Tidwell, according to the records of the War Department, enlisted as a private in Company E, Seventh Illinois Cavalry, in Alabama, September 1, 1862, to serve 3 years, being a resident of that State. He appears to have served faithfully until December 11, 1863, when he was sent to general hospital at Oxford, Miss., and thence to general hospital at Holly Springs December 22, 1863.

The only additional record which the War Department has of Tidwell is that he enlisted in Company A, First Alabama Cavalry, on the 15th of January, 1864, in which it is admitted he served faithfully until October 20, 1865, when he was mustered out. On this record the petitioner was marked as a deserter. He applied to the War Department on affidavits for a removal of this charge, but it was denied on the ground that the enlistment by Tidwell in the First Alabama Cavalry without a discharge from the Seventh Illinois Cavalry was a violation of the fiftieth Article of War, and because the period of petitioner's absence from service having exceeded 4 months the Department had no power, under the act of March 2, 1889, to grant the relief prayed for.

The only real question is, was the said Tidwell a deserter in fact. He testifies under oath concerning his absence as follows: That in his transfer to the hospital at Holly Springs, Miss., while he was ill with measles, he was placed on the top of a box-car and took cold and suffered a relapse and remained in the hospital nearly 2 months and until after the Federal forces at this point had fallen back 3 or 4 miles; that the physician gave him a pass to reach the lines and his regiment, and on his way he was captured by the Confederates, who sent him to Guntown, Miss., where he was paroled, and he then went to his home in Marion County, Ala., remaining a couple of months, when he started to return to his command, and while en route was informed that he could not reach it, when he went to Winston County, Ala., where he remained 2 months, when he again started for his regiment, but was again captured by the Confederates near Leighton, Ala.; that he was forced in the Confederate service, and because he refused to do duty he was "swapped off" to another Confederate regiment, the officers in which refusing to receive him gave him a pass back to the original Confederate regiment in which he had refused to do duty. This pass, he asserts, he used to return through the lines to Camp Davis, where the Federal forces were stationed. On reaching the Federal camp he was informed by officers and comrades that his regiment, the Seventh Illinois Cavalry,

had been mustered out, whereupon the petitioner enlisted in the First Alabama Cavalry. He states also that he was illiterate and unable to read or write, and did not understand military rules; that he did not get a discharge nor any pay for his services in the Seventh Illinois, nor for a horse furnished.

There is no evidence to contradict these verified averments, and the reputation of the petitioner for truth and veracity are vouched for by A. B. Hayes, probate judge of Cullman County, Ala., and by Hiram Adkins, a deputy sheriff. It also appears from the sworn evidence of Samuel E. Lee and John W. Suits, members of Company A, First Alabama Cavalry, that the petitioner arrived at Camp Davis and enlisted in said regiment about January 13, 1864, after being informed in their presence by some comrades of the Seventh Illinois and others that said latter regiment had been mustered out; three of his old comrades having joined the First Alabama Cavalry. Suits and Lee are vouched for as reliable, reputable men.

On these statements your committee are of the opinion that the prayer of the petition should be granted and they accordingly report the bill back and recommend its passage.

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HAMPTON AND OLD POINT RAILWAY COMPANY.

FEBRUARY 19, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. WILLIAMS, of Ohio, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany H. R. 13684.]

The Committee on Military Affairs, to whom was referred the bill (H. R. 13025) to amend and reenact paragraph 6, section 1, of an act entitled "An act granting right of way and other privileges to the Hampton and Old Point Railway Company," submit the following report:

The object of this bill is to extend the time for the construction of the railway, which is now under way and the commencement of which was delayed by reason of ambiguity in prescribing the route to be followed in the original bill.

The Secretary of War, to whom the bill was submitted, disapproved the same, but proposes in lieu a substitute bill which is adopted by the committee and reported herewith with the recommendation that it do pass.

Appended is the letter of the Secretary of War in regard to Senate bill 4824, which is in exact terms with House bill 13025, which is made part of this report.

WAR DEPARTMENT,
Washington, D. C., February 14, 1891.

SIR: In connection with Department letter to you dated the 21st ultimo, returning with an adverse report Senate bill 4824, Fifty-first Congress, second session, "to amend and reenact paragraph 6, section 1, of an act entitled 'An act granting right of way and other privileges to the Hampton and Old Point Railway Company,'" I now have the honor to invite your attention to the inclosed draft of a substitute for the above-mentioned bill, which is satisfactory to this Department.

Very respectfully,

L. A. GRANT,
Acting Secretary of War.

The CHAIRMAN OF THE COMMITTEE ON MILITARY AFFAIRS,
United States Senate.

ELEONORA GOLDSBOROUGH.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. RANDALL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 12286.]

The Committee on Pensions, to whom was referred the bill (H. R. 12286) granting a pension to Nora Goldsborough, have given the same careful consideration and report:

The facts are shown as follows:

To the Congress of the United States:

The memorial of Eleonora G. Goldsborough respectfully represents to your honorable body that she is the widow of Dr. Charles B. Goldsborough, late in the Marine-Hospital Service, and on behalf of herself and the minor children of the said Dr. Charles B. Goldsborough, she respectfully prays that you will grant a pension to be paid to her and them, and for the purpose of informing your honorable body as to the facts upon which her petition is based, she further sets forth as follows:

(1) Dr. Charles B. Goldsborough was examined in accordance with law for admission into the service in August, 1877, and on October 3, 1877, was appointed an assistant surgeon in the Marine-Hospital Service.

He was first stationed in New York as assistant; was appointed in charge of the service in Norfolk, Va., and remained there 2 months; he was placed on special duty in Washington and Baltimore; and was assistant at New York for 5 months; he was 9 months chief clerk in the city of Washington, and was then placed in charge of the service in the city of Baltimore, where he remained for 3 years until April, 1882.

In October, 1880, he was promoted to the office of passed assistant surgeon while in charge of the Baltimore service. From Baltimore he was ordered to Mobile, where he remained in charge of the Marine-Hospital Service for 3 years and 6 months until October 20, 1885, when he was ordered to Chicago, where he remained in charge of the service for 2 years and 4 months until February 9, 1888.

While in Chicago he was promoted to the office of full surgeon October 1, 1886. From Chicago he was ordered to New Orleans, where he remained 1 year and 11 months, and died in the service January 5, 1890, leaving to survive him his widow, your petitioner, and two children, Charles Bloomfield, 9 years, and Irwin, 5 years of age.

(2) The entire estate left by your petitioner's husband amounted to \$2,100, which was in the hands of a firm which has since failed, reducing his estate to nothing. Your petitioner's estate consists of a farm on the eastern shore of Maryland valued at \$12,000, but subject to a mortgage of \$6,000, making its total net value \$6,000, and shares of bank stock of the value of \$1,300.

The net income from the farm, after paying the interest on the mortgage and all other charges and expenses incident to the same, when the crops are good is about \$150, and the dividends derived from the bank stock amount to about \$120, making the entire income received by your petitioner for the support of herself and her two children \$270, which is liable to be decreased at any moment by the failure of the crops upon which the income from the farm depends.

(3) Your petitioner's husband, while engaged in the service of the Government, devoted himself with untiring energy to his duty and he was constantly exposed, not only to the danger of disease incident to his calling, but to the dangers arising by the constant change of climate which in the course of his duty while under orders he

was obliged to undergo, and his constitution was undoubtedly greatly undermined thereby.

While on duty in the city of Mobile, he was desperately ill with malarial fever and from there he was ordered to Chicago, the extreme cold of which following upon the warmer temperature of Mobile brought on a serious attack of rheumatism from which he had not wholly recovered when he was again ordered to New Orleans. While engaged in the course of his duty he contracted blood poison in performance of an operation, which also tended to undermine his health, and in April, 1889, he was again attacked by malarial fever, which his already weakened constitution was unable to withstand, and from which, together with the other complications, he eventually died.

(4) Your petitioner further represents that the compensation received by her husband and the frequent removals which in the course of his duty it became necessary for him to make rendered it impossible for him to save up more money than a portion of that which was left and which has been lost through no fault of your petitioner.

(5) Your petitioner has done and is doing all in her power to support herself and her children, and will continue to do so and will use all means in her power by her own exertions to increase the small income which she now receives.

All of which is respectfully submitted.

ELEONORA G. GOLDSBOROUGH.

To the Congress of the United States :

The undersigned respectfully represent to your honorable body that they are personally cognizant of many of the facts stated in the foregoing memorial of Eleonora G. Goldsborough, and those of which they are not cognizant personally they believe to be therein stated truly. They further state that they believe the said Eleonora G. Goldsborough, the widow of Dr. Charles B. Goldsborough, and his two children are in great need of some support, and that the services of the late Dr. Charles B. Goldsborough entitle them to be paid a pension, and they are personally aware that she is using every honorable means to assist in the support of herself and her children.

JAS. SOMERS SMITH.

ANNA M. SMITH.

D. HAYES AGNEW.

W. DUBOIS MILLER.

Dr. John B. Hamilton, Supervising Surgeon-General, Marine-Hospital Service, appeared before your committee and strongly urged the passage of the bill, stating that Dr. Goldsborough was an able and faithful officer, and the duty he was on subjected him to orders involving change of climate and contact with epidemic diseases, and the doctor urged that as a matter of justice there should be no distinction in the allowance of pensions between the surgeons of the Marine-Hospital Corps and the medical officers of the Army and Navy.

After full consideration of the bill your committee conclude that the officers of the hazardous service in question should be given the same consideration in the matter of pensions as army and navy surgeons, and the bill is therefore returned with a favorable recommendation.

NOTE.—Amend by filling the blank in the bill with the words “twenty-five.”

J. AND O. P. COBB & CO.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. J. B. BROWN, from the Committee on War Claims, submitted the following

REPORT:

[To accompany H. R. 7646.]

The Committee on War Claims, to whom was referred the bill (H. R. 7646) for the relief of J. and O. P. Cobb & Co., after examining the testimony in the case, being papers received by the committee from the office of the Quartermaster-General, respectfully report:

The facts in the case are fully and fairly stated in the following report made to the Senate on the 18th day of January, 1865, but it will be seen that the Senate report, as to the claim presented in this bill, was not intended to be a decision, but expressly waived the question involved for the then "present time."

[Senate Report, January 18, 1865.]

The Committee on Claims, to whom was referred joint resolution (H. Res. 80) for the relief of J. & O. P. Cobb, of Indiana, and accompanying papers, respectfully report:

That from the evidence in the case it appears that the firm of J. & O. P. Cobb, of Aurora, Ind., on the 5th day of May, 1863, entered into a contract with the Government of the United States, through E. D. Chapman, captain, A. Q. M., at St. Louis, Mo., for the purchase of 5,000 tons of hay to be delivered at Memphis, Tenn., and paid for at the rate of \$28.49 per ton.

That in fulfillment of this contract said firm had, on the 11th and 12th days of July, 1863, loaded on barges and flatboats, at the town of Vevay, Ind., and on the Ohio River, for Memphis, Tenn., 644,360 pounds of hay, which at the contract price, \$28.49 per ton when delivered, would amount to \$9,178.90.

It further appears that about the 11th day of July, 1863, the rebel Morgan was making a raid into Indiana, and that to prevent Morgan from recrossing the river General Boyle, who was then in command of the district of Kentucky, issued an order to the commander of a gunboat "to proceed up the Ohio River as far as Madison, Ind., and to seize all the water craft on the river and sink or burn them."

That in the execution of this order, and while the barges and flatboats were so loaded with hay for delivery to the Government, the commander of the gunboat set fire to the hay and totally destroyed it and the boats on which it was loaded.

The committee are of opinion, from this statement of facts, that the Government, intervening and preventing the entire fulfillment of the contract by the destruction of the hay before it was landed at Memphis, may be considered to have waived that part of the contract when the officer of the gunboat took control of the barges and flatboats, and therefore should pay for it, deducting a reasonable sum for the difference of transportation, which is admitted in the evidence should be \$4 per ton, amounting to \$1,283.72, leaving the sum of \$7,890.18.

The petitioners, Cobb & Co., also claim pay for the boats and barges on which said hay was loaded, and which were destroyed at the same time with the hay by said gunboat and in pursuance of said order. They allege and offer testimony tending to show that said barges and boats were their property, and, together with some lumber and other articles on board of said boats and destroyed at the same time with the hay, were of the value of \$5,441.16.

As, however, the Senate has not yet passed upon any like claim for property destroyed by the military forces, and as no testimony has been taken on the part of

the Government tending to fix the precise value of said boats and barges and other property, except the hay, they report an amendment of joint resolution (H. Res. 80) so as to pay for the hay without paying for the other property at the present time.

The House did not during the Thirty-eighth Congress concur in the views of the Senate as expressed in this report, but afterwards in the Thirty-ninth Congress the bill passed both Houses on the basis of that report, manifestly waiving for the time the question as to the vessels, and the act was approved by the President on the 28th day of February, 1867, and the hay was paid for.

It will be seen that the only matter in controversy between the Senate and House was whether J. and O. P. Cobb & Co. were entitled upon the facts named in the above report to pay for the barges and other vessels which were employed in the shipment of this hay as well as for the hay.

Your committee are of the opinion that upon a full consideration of the subject the rights of the claimants to payment for the barges and other vessels employed in the fulfillment of this contract with the Government for the delivery of this hay at Memphis stands on the same basis exactly as their right to payment for the hay. The liability of the Government clearly rests upon the fact that by the contract the hay was to be transported to and delivered at Memphis in pursuance with an express contract for its delivery. Both the vessels and the hay were clearly involved in the contract; neither the vessels nor the hay would have been involved in this peril, as may be fairly assumed, except as a result of this contract. It clearly appears that the entire loss sustained by the claimant must be fairly and directly traced to this contract.

If this hay loaded on the vessels had, in pursuance with the contract, reached Memphis and had been there taken possession of by the Government in pursuance with this contract and the vessels never returned—lost or destroyed while so held—under the law as it existed before the late war, and during the war, and ever since the war, the Government would pay for the vessels. In view of this can it be held that when the Government made a contract for the delivery of hay at a port on the Mississippi River, which necessarily involved the employment of vessels, and the hay and vessels were taken possession of and destroyed by the Government, that the Government is not liable in common fairness and justice to pay the value of both hay and vessels to the parties who were in good faith fulfilling the contract? The contract involved the vessels and hay alike.

Your committee is of the opinion that this is not to be classed as a case of war spoliation, but as a matter of liability incident to a contract. Your committee is also of the opinion that the sum named in the bill is the value of the vessels and appurtenances taken possession of and destroyed by the Government, and recommend the passage of the bill.

[Chap. CXII.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Treasurer of the United States be, and he is hereby, authorized and directed to pay to J. and O. P. Cobb and Company, of Aurora, Indiana, the sum of seven thousand eight hundred and ninety dollars and eighteen cents, out of any money heretofore or hereafter appropriated and applicable to the payment of claims against the Quartermaster's Bureau, in full discharge of all claim of the said J. and O. P. Cobb and Company for hay taken and destroyed by order of General Boyle, on the Ohio River, in July, eighteen hundred and sixty-three.

Approved February 28, 1867.

CREATING THE FOURTH JUDICIAL DISTRICT OF UTAH.

FEBRUARY 19, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. BUCHANNAN, of New Jersey, from the Committee on the Judiciary,
submitted the following

REPORT:

[To accompany S. 4811.]

The Committee on the Judiciary, to whom was referred the bill (S. 4811) to provide for the creation of a fourth judicial district in the Territory of Utah, would respectfully report:

The rapid increase of population in the northern portion of that Territory makes the creation of another judicial district highly desirable. The bill does not add to the number of judges, but simply creates another district, and confers power upon the supreme court of that Territory to assign judges to the several districts.

The bill as it passed the Senate provides that the governor and legislative assembly of the Territory shall establish the new district. It appears, however, that the legislative assembly will not convene until the year 1892. This will delay the matter for nearly one year.

For this reason your committee recommend that the bill be amended by striking out in the first section the words "legislative assembly," and in lieu thereof insert "supremecourt," and that when so amended the bill do pass.

LOGAN CITY, *February 7, 1891.*

DEAR SIR: In the absence of Mr. Lomax, and in response to your letter to him of the 27th ultimo, we send you the inclosed petition, which we have assisted Mr. Lomax in circulating.

It might have been as well to have noted in this petition the fact that citizens of northern Utah have to travel from 70 to 100 miles to attend court, and that this great inconvenience will continue for a year unless your bill is so amended as to give the governor the power to say that a term of court shall be held in Logan in the mean time, to transact a portion of the business that is now transacted in Ogden. In order that you may fully understand the situation, we mention the above fact in this connection.

It may not be out of place to call your attention to the fact that the right was given to the governor of this Territory to "appoint the time and place of holding court in each" of the districts of this Territory by section 1916, Revised Statutes, United States; and it might be further noted that section 3 of the act of Congress of June 23, 1874, entitled "An act in relation to courts and judicial officers in the Territory of Utah," to be found on page 107 of supplement to Revised Statutes of United States, Vol. 1, does not interfere with the right already given our Governor. It may also be noted that the Utah legislature has passed enactments fixing the place of holding terms of court, but as this was a power given the governor, and never given to the legislature of Utah, the said legislation on the subject by the legislature of Utah was without and contrary to authority, and consequently void.

(Compiled Laws of Utah, Vol. II, p. 454). Section 1865, Revised Statutes, United States, has a bearing upon this question also.

We did not think it necessary to get many subscribers for the petition, and got a list only of the leading men.

Hoping that you will make the amendment asked, and confer upon the governor a power that is consistent with previous legislation on the subject by Congress and which will authorize him to exercise a power which it is doubtful whether he now possesses, and thus confer upon the people of northern Utah a right long needed.

Yours respectfully.

CHAS. H. HART.
RICH & RICH.

To Hon. GEO. F. EDMUNDS,
United States Senate.



DANIEL BIRCHETT.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. HENDERSON, of North Carolina, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13022.]

The Committee on Pensions, to whom was referred the bill (H. R. 13022) increasing the pension of Daniel Birchett, have considered the same and report:

The claimant was a private in Captain Wheat's Independent Tennessee Mounted Volunteers, and served from February 5, 1848, to July 25, 1848, in the Mexican war. On the 15th of April, 1879, Mr. Birchett made application for pension, declaring that while at New Orleans, La., during said service, he was thrown from his horse and his skull was fractured. The company roll for April, 1848, notes the claimant as sick, but the nature of his sickness does not appear of record.

The claimant's allegations were corroborated by the testimony of one of his comrades, who saw him immediately after the alleged accident, and other testimony showed him to have been in bad health and unable to do much work for many years just preceding the filing of his application. Mr. Birchett was examined by the Nashville, Tenn., board on the 17th September, 1879, and a depression on the left parietal bone with cicatrices was found.

The foregoing facts were, however, not sufficient to warrant favorable action under the rules then prevalent in the Pension Bureau, and the claim was rejected March 22, 1880, on the ground that it was not established, the claimant having declared his inability to furnish any additional testimony by reason of the long time that had elapsed since said war.

Subsequently the Mexican war service pension act was passed and the claimant was granted \$8 per month thereunder.

The applicant is now about 66 years old, and the testimony on file at the Pension Office and the statement of the gentleman who introduced the bill tend to show that he (the applicant) is seriously disabled by the injury of head, and that he is in a very needy and dependent condition.

Dr. W. W. Corbitt, Mr. Birchett's family physician, certifies that the pressure upon the brain and its membranes due to the injury of head is such as to often give rise to great exhaustion and nearly produce convulsions.

In view of all the facts stated your committee feel that the relief prayed for should be granted, and the bill is therefore returned with a favorable recommendation.

Amend by adding after the the last word in said bill the words "the same to be in lieu of the pension now paid him."

AUGUSTA J. CRAWFORD.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SMYSER, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 11989.]

The Committee on Pensions, to whom was referred the bill (H. R. 11989) granting a pension to Augusta J. Crawford, have considered the same and report:

The claimant is the daughter of Joseph Crawford, who served as a corporal in Capt. John Mack's company of Col. John Harris's First Regiment, New York Militia, from January 13, 1814, to April 21, 1814, in the war of 1812. This service is a matter of record in the office of the Third Auditor of the United States Treasury.

Accompanying the bill is the testimony of Joel M. Tuttle, of Norwalk, Huron County, Ohio, setting forth that Joseph Crawford died in March, 1864, leaving several children, one of whom, Augusta J. Crawford, has become so much of an invalid from inflammatory rheumatism as to be unable to help herself. The witness further states that the applicant has no means of support and is dependent upon charity.

This witness is reliably shown to be a man of high character, and one whose word can be implicitly relied upon.

There are several precedents for the allowance of pensions to the disabled and dependent daughters of the soldiers of the war of 1812. Among these is the case of Mrs. Delia S. Parnell, passed at this term of Congress.

The passage of the bill is recommended.

Amend by changing the name of the organization to which the soldier belonged to Captain John Mack's company, Colonel Harris's regiment.

AMELIA T. SEYWERT.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SMYSER, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 1198.]

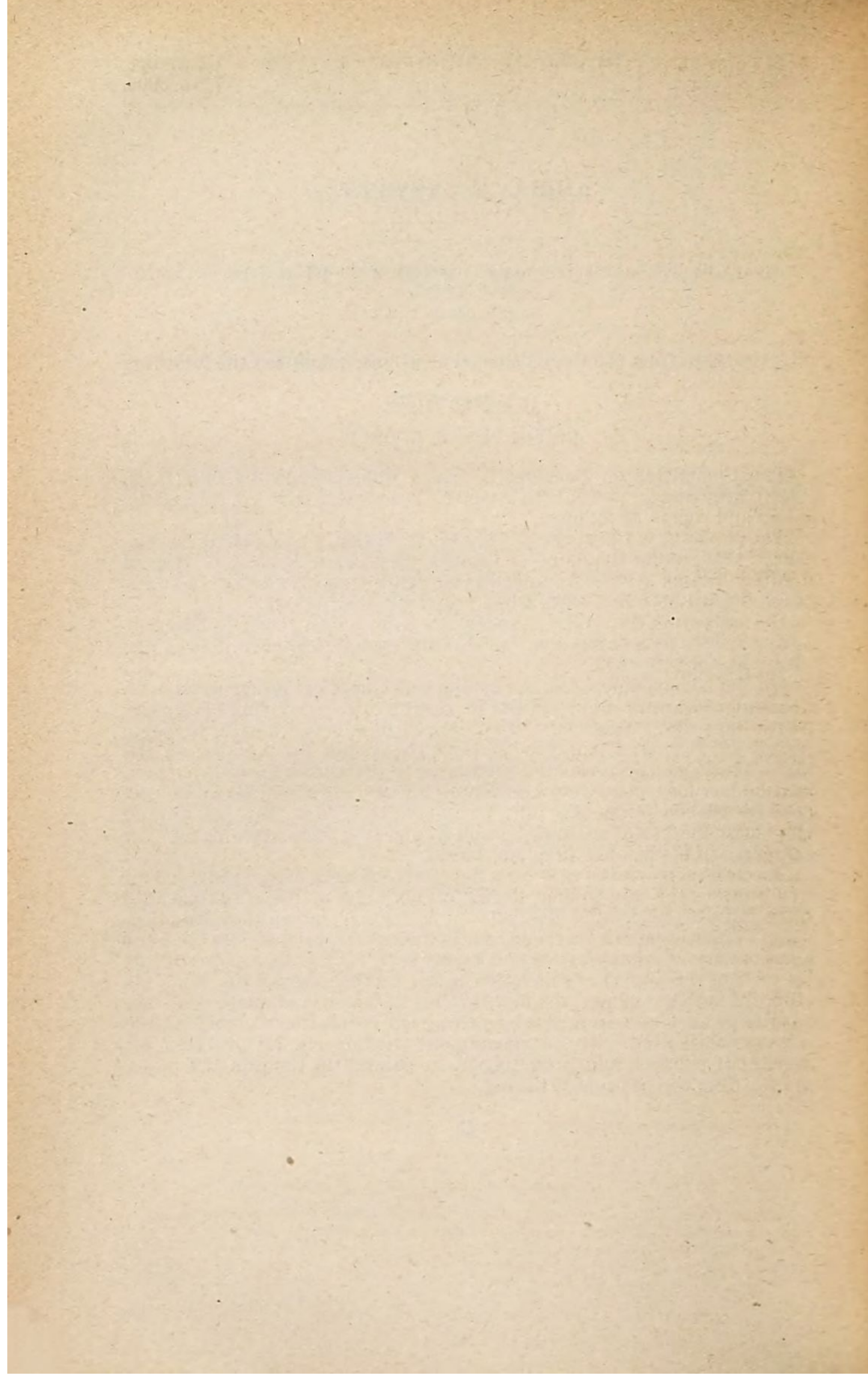
The Committee on Pensions, to whom was referred the bill (H. R. 1198) granting a pension to Amelia T. Seywert, have considered the same and report as follows:

The claimant is the sister of Charles H. Miller, who enlisted November 3, 1859, under the name of Charles Monroe, in Battery G, Second United States Artillery, and served continuously (with two reënlistments) until March 8, 1870, when honorably discharged.

He subsequently enlisted under the same name (Charles Monroe) May 22, 1872 as a seaman on the revenue cutter *Reliance* and was discharged July 15, 1873.

On the 23d of June, 1885, the soldier made application for pension on account of chronic diarrhea and its results incurred during his service in the late war. This claim was allowed at \$10 per month, to begin March 19, 1886, and end May 19, 1886, the soldier having died on the last named date. The soldier died prior to the allowance of the claim, and he having left no widow or minor children, his sister, Mrs. Seywert (the beneficiary under this bill), completed the claim, and was allowed the small amount of accrued pension as a partial reimbursement for the expenses of his last sickness and burial.

The testimony shows that Mrs. Seywert took care of and provided for her brother, the said soldier, during all his years of suffering from 1873 until May 19, 1886, when he died. It is further shown that Mrs. Seywert is now about 75 years old and helpless, being dependent upon the small salary of a daughter which barely supplies the necessities of life. In view of the applicant's devotion to her brother during the long period of his sickness, and the fact that his sickness and death were the results of his long and faithful service, your committee recommend the passage of the bill with an amendment striking out all provision for arrears of pension, and providing for a pension at the rate of \$12 per month from the passage of the act.



JACOB KERN.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MANSUR, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 1688.]

The Committee on Claims, to whom was referred the bill (S. 1688) for the relief of Jacob Kern, respectfully report:

Your committee have had the same under consideration, and because of the facts and reasons stated by Senator Wilson in his report, No. 1467, Fifty-first Congress, first session, upon this bill, they are persuaded of its justice; they therefore adopt said report as their own and recommend that said bill do pass.

[Senate Report No. 1467, Fifty-first Congress, first session].

The Committee on Claims, to whom was referred the bill (S. 1688) for the relief of Jacob Kern, respectfully report that a similar bill was favorably reported from this committee during the last Congress and was passed by the Senate; that the report then made is hereby adopted, and the passage of the bill is recommended.

The object of this bill is to authorize and direct the Court of Claims, notwithstanding any bar of the statute of limitations to the contrary, to consider and adjudicate upon its merits the claim of Jacob Kern, now pending in said court, which seeks payment for army wagons furnished by him to the quartermaster of the United States at St. Louis, Mo., in the years 1864 and 1865. The recitals in the preamble of the bill, which are all sustained by the proof, go far to show that claimant is entitled to the relief sought. There is a large mass of testimony already taken in the Court of Claims tending to establish still further the justice of the claim. The averments in excuse of apparent laches are the misplacing of the vouchers for the wagons, which were sold by an agent during the illness of the claimant, which was protracted long after the transactions occurred, and their subsequent accidental loss by fire. The light thrown upon the case by an examination in 1883 of the books, papers, and accounts of General Meyers, the aforesaid quartermaster, made by James McKenna, who had been connected with the quartermaster's department for 27 years, first enabled the claimant to present his account to the Government with a reasonable hope of success.

An extract from the affidavit of McKenna is given below, which shows the nature and extent of his testimony. Other facts developed in the testimony before the Court of Claims affix a character of probable justness to the claim to such an extent as to excite a reasonable apprehension that a refusal to continue the hearing already begun before the Court of Claims might work the gross injustice of the appropriation of a large amount of a citizen's property by the United States without due and honest payment therefor.

Your committee therefore recommend the passage of this bill.

[Extract from affidavit of James McKenna.]

Affiant further states that some time in the year 1873 he was requested to investigate a claim of Jacob Kern for wagons furnished to the quartermaster's department during the latter part of 1864 and including the first half of January, 1865. That affiant, at that time, was unable to get access to the papers and books of General

Meyers, and consequently made only a casual examination into the matter; and, if he remembers correctly, request was made for Major Woods to investigate the matter.

Affiant further states that on or about February, 1883, at the request of General Meyers, he made a thorough examination of the books, papers, and vouchers which belong to the department of General Meyers, covering the latter part of 1864 and including the first half of January, 1865, with reference to the number of wagons delivered by Jacob Kern, claimant, to the quartermaster's department at St. Louis, and the number of wagons so delivered, which, according to said books and vouchers, remained unpaid for, and that affiant found that 92 wagons received of Jacob Kern by said quartermaster had not been paid for, but the account for that number of wagons was still due and unpaid to Jacob Kern; that affiant obtained his information from original papers and original entries, and not from secondary entries. That the method of doing business consisted in this: Wagons being delivered at the corral at Saint Ange avenue and Hickory street, in said city, were received and inspected, and if passed receipts were given for same; and the inspector daily reported to General Myers's office the number of wagons received and accepted and from whom, and credits were given to the manufacturer from this report. These daily reports were simply rough memoranda which, on entries thereof being made in the books, were destroyed. Now, the book of such original entries showing the number of wagons so furnished by Jacob Kern to said department during the latter part of 1864 and the first half of January, 1865, is now in charge of the Third Auditor's office in Washington City, for I know this, as I sent it myself some time after investigating this claim of Mr. Kern. This affiant further states that said book, in charge of said Department at Washington, is an original book of entries of transactions in the quartermaster's department at Saint Louis, under General Meyers, during the latter part of 1864 and the first part of January, 1865, and the entries thereon touching the wagons received of Jacob Kern during said period and remaining unpaid for, as shown by said book, is correct.

Affiant further states that not only has he examined said book and knows that its contents are true, but further, he has examined the accounts of General Meyers, and knows from such examination that the ninety-two wagons aforesaid were never paid for by the department.

JAS. MCKENNA.

Subscribed and sworn to before me this 25th day of May, 1886. Witness my hand and notarial seal.

[SEAL.]

GEORGE M. BLOCK,
Notary Public.

JACOB TAYLOR.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. NORTON, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13596.]

The Committee on Pensions, to whom was referred the bill (H. R. 13596) granting a pension to Jacob Taylor, have considered the same and report:

The claimant was a member of Company B, Powell's Battalion, Missouri Volunteers, Mexican war, and served from July 1, 1847, to November 9, 1848, when honorably mustered out with the company. This service is a matter of record.

In his petition for relief the claimant states under oath that he is now 65 years of age and owns no estate, either real or personal, and is wholly incapacitated to support himself by labor by reason of old age and rheumatism, and that he is a charge upon his friends and relatives.

The claimant's statements are corroborated under oath by Montgomery Geiger, a citizen of Troy, Lincoln County, Mo., who served with the applicant in the Mexican war and has known him ever since.

Dr. J. A. Ward, of Troy, Mo., testifies that the claimant is afflicted with chronic rheumatism, chronic cystitis, and general debility, and that he is absolutely without property or means of support.

Mr. Taylor's post-office address is Linn's Mill, Lincoln County, Mo.

The Secretary of the Interior decides that the members of Powell's Battalion do not come within the letter of the Mexican war pension act of January 29, 1887, but recommends that they be included in said act, and Congress has repeatedly recognized the justice of their claims to pension by the passage of special acts granting the same.

The passage of this bill is thereupon recommended with an amendment to include the initial "F" in the applicant's name.

GOTTLOB GROEZINGER.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BOOTHMAN, from the Committee on Claims, submitted the following

REPORT:

[To accompany H. R. 2369.]

The Committee on Claims, to whom was referred the bill (H. R. 2369) for the relief of Gottlob Groezinger, submit the following report:

The facts of this case your committee find correctly stated in a former report of the same case made in the Fiftieth Congress, which report is appended.

We think the case is one presenting strong grounds for relief, and therefore report the bill favorably.

[House Report No. 123, Fiftieth Congress, first session.]

This bill was reported favorably by the Committee on Claims in the Forty-ninth Congress, and the Committee on Claims, to whom this bill was referred, adopt said report and recommend the passage of the bill.

Said report is as follows:

[House Report No. 1611, Forty-ninth Congress, first session.]

The Committee on Claims, to which was referred House bill 3863, having considered the same, submits the following report:

That Gottlob Groezinger, of Yountville, was the proprietor of distillery No. 193, located in said town, in the county of Napa, California, and was engaged in the business of fruit distiller in 1876.

That on the night of September 22, 1876, his distillery was accidentally destroyed by fire; the brandy manufactured by him, being about 1,164 proof gallons, was stored in his said distillery and was then and there consumed by the flames.

That there was no insurance upon the distillery or the brandy, but that each was a total loss.

That the fire was accidental, without fault or negligence on the part of the claimant.

That on the 19th of February, 1877, he was assessed by the Government an internal-revenue tax of \$1,047.60 upon the brandy that had been destroyed by fire, as aforesaid, in September, 1876; which sum the claimant paid the United States collector.

Mr. Groezinger in 1877 made application to the Treasury Department for the refunding of said sum of \$1,047.60, but the application was rejected upon the grounds set forth in the letter of the Commissioner of Internal Revenue of October 31, 1877, hereto attached and marked Exhibit A.

Your committee is of the opinion that the amount paid by the claimant as internal-revenue tax after the destruction of the brandy upon which the tax was assessed should be repaid, and therefore recommend the passage of the accompanying bill.

EXHIBIT A.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, October 31, 1877.

SIR: In the matter of the claim of G. Groezinger for the refunding of \$1,047.60, tax paid on grape brandy alleged to have been destroyed by fire, I have to say that the question as to the authority of the Secretary to remit this tax was carefully considered by him at the time of the examination of the claim for its abatement. The conclusion was reached that there was no authority of law for the abatement of the tax. The case does not appear to fall within the provisions of section 3220 or 3221, Revised Statutes, and the claim is rejected.

Respectfully,

GREEN B. RAUM,
Commissioner.

A. L. FROST, Esq.,
Collector Fourth District, Sacramento, Cal.

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ROBERT TILLSON AND MAITLAND BOON.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DOLLIVER, from the Committee on War Claims, submitted the following

REPORT:

[To accompany H. R. 8710.]

The Committee on War Claims, to whom was referred the bill (H. R. 8710) for the relief of Robert Tillson and Maitland Boon, having considered the same, respectfully report:

This is a claim to recover damages arising out of the nonpayment or long delay in the payment of certain moneys due the firm of Robert Tillson & Co., by the United States, for 17,500 complete sets of horse equipments and 20,000 complete sets of infantry accoutrements made by the firm of Tillson & Co., under contracts with the United States, from October, 1862, to October, 1864. The facts in the case are as follows:

The claimants, Robert Tillson and Maitland Boon, duly entered into certain contracts with the United States for the delivery of horse equipments and infantry accoutrements, the United States agreeing to pay for same on delivery. The claimants delivered all of said horse equipments and infantry accoutrements and same were accepted by the U. S. Government; but instead of paying for same in cash, as agreed, after a long delay the United States Government offered to pay part of the contract price in *certificates of indebtedness payable one year after date*, and which could only be used by the firm of Tillson & Boone at a discount. Claimants were compelled, in order to satisfy their creditors, to sell said certificates at a discount of $7\frac{1}{2}$ per cent., thus incurring a loss of \$5,775. By reason of other delays, irregularities, and uncertainties which attended the payments by the United States, the claimants were so often compelled to make defaults in their engagements with their material, men and workmen, that their credit as well as their resources became crippled, through no fault or neglect of their own, to such an extent, that they were unable to take advantage of the market by reasonable purchase of materials for their contracts, or to secure the lowest market rate when their purchases were actually made; but, on the contrary, were compelled to defer purchase on a constantly rising market at great loss, and also to pay for materials when they were actually bought at higher prices than they would have been compelled to pay but for such injury to their resources and credit. The loss arising through this source amounted to over 10 per cent.

Claimants contend and the record shows that by reason of the failure of the Government to pay for these horse equipments and infantry accoutrements according to the terms of the contracts, they have suffered

a loss amounting to \$50,194.32. On June 23, 1874, Congress passed an act for the relief of Robert Tillson & Co., which authorized and directed the Court of Claims to investigate their claim for loss and damages growing out of the failure of the Government of the United States to keep and perform the contracts, and to determine and adjudge the amount equitably due said firm, if any, for such loss and damages. That court, being divided in opinion, held that the claimants could not recover under the terms of the private act mentioned. But the record shows that the claimants faithfully complied with the terms of the contracts, delivered to the Government property amounting to nearly \$500,000, and thereby suffered a total loss of \$55,969.32.

To your committee it appears that the amount named in the bill (\$30,000) should be paid the claimants, in equitable adjustment and compromise of their claim, and we therefore report the bill favorably and recommend that it be passed.



ESTATE OF EWING M. SKAGGS.

FEBRUARY 19, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DOLLIVER, from the Committee on War Claims, submitted the following

REPORT:

[To accompany H. R. 12637.]

The Committee on War Claims, to whom was referred the bill (H. R. 12637) for the relief of the estate of Ewing M. Skaggs, assignee of Eli A. Skaggs, deceased, reports as follows:

Prior to the late war Eli H. Skaggs and Ewing M. Skaggs, now deceased, were joint owners of certain real estate in the city of New Orleans, La., and in settlement of the transactions growing out of said ownership Eli H. Skaggs became indebted to Ewing M. Skaggs in certain sums of moneys, and in August, 1867, the said Eli H. Skaggs assigned and transferred to Ewing M. Skaggs in settlement thereof the claim now under consideration, the same being for 21 mules, valued at \$200 each, and 7 carts, valued at \$100 each. This property was taken for the use of the United States at or near New Iberia, La., April 20, 1863, by Lieut. L. C. Bailey, post quartermaster at that place, who gave a receipt for said supplies, which is the basis of said claim, and which is filed as an exhibit thereof. It appears from the evidence that the mules were worth \$200 each and the carts \$100 each.

Ewing M. Skaggs, since deceased, was, before and during the war, and until the day of his death (which occurred since the war), a resident of Sacramento, Cal.

The claim in question was presented to the Commissioners of Claims, under the act of March 3, 1871, by Ewing M. Skaggs, but was not allowed because the evidence presented was not sufficient to convince the Commissioners of Claims that Eli H. Skaggs was loyal to the United States throughout the war for the suppression of the rebellion. Subsequently the claim was transmitted to the United States Court of Claims, under the act of March 3, 1883, commonly known as the Bowman act, and on the 8th day of December, 1890, said court passed upon the loyalty of Ewing M. Skaggs, the assignee, and found him to have been loyal to the Government of the United States throughout said war. The court also found that Eli H. Skaggs, the assignor of the claim, was loyal to the Government of the United States until a time subsequent to the alleged taking of said stores and supplies.

It appearing from the evidence that the assignment of the claim was made before the passage of any law by Congress for the relief of the claimants in insurrectionary States, and the assignees having given good consideration for the claim, and said assignee having been found to have been loyal throughout the entire war, and it being established be-

yond doubt that the mules and carts were actually received for the use of the United States by a proper officer of the same, it is the opinion of your committee that the assignee is entitled to relief, and your committee therefore report a bill providing for the allowance of 21 mules at \$175 each, \$3,675; and 7 carts at \$100 each, \$700; total, \$4,375, with the recommendation that it do pass.

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BRIDGE ACROSS PORTAGE LAKE, MICHIGAN.

FEBRUARY 19, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. STOCKBRIDGE, from the Committee on Commerce, submitted the following

REPORT:

[To accompany H. R. 13426.]

The Committee on Commerce, to whom was referred the bill (H. R. 13426) giving consent of the United States to the erection of a bridge across Portage Lake, Houghton County, Mich., between the villages of Houghton and Hancock, having considered the same report it back with the recommendation that it do pass, amended, however, so as to make it conform to the recommendations of the Secretary of War and the Senate bill on the same subject.

The proposed amendments are indicated upon the accompanying bill.

EMILE M. BLUM.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BURTON, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 3609.]

The Committee on Claims, to whom was referred the bill (S. 3609) for the relief of Emile M. Blum, late commissioner-general, and James M. Seymour, jr., late assistant commissioner to the Barcelona exposition, beg leave to report the same with the recommendation that the bill do pass.

A similar bill (H. R. 9611) was favorably reported by your committee in the first session of the Fifty-first Congress, a report thereon (No. 3193) which was agreed to and so fully sets forth the facts that your committee adopts the same and makes it a part of this report.

Your committee further recommends that H. R. 9611 lie upon the table.

* [House Report No. 3193, Fifty-first Congress, first session.]

The Committee on Claims, to whom was referred the bill (H. R. 9611) for the relief of Emile M. Blum, late commissioner-general of the United States to the Barcelona exposition, submit the following report:

This bill is intended to partially reimburse the late commissioner-general to the Barcelona exposition for the expenses incurred in connection therewith, by allowing certain necessary expenses which the appropriation was unable to meet, and providing the payment of a salary of \$5,000 for his services, in view of the fact of his successful administration of the office, and that he was obliged to pay much more than that sum in order to prepare the United States sections and install the exhibits.

The Department of State report:

WASHINGTON, D. C., May 24, 1890.

SIR: I have the honor to acknowledge the receipt of your letter of the 20th instant relative to Senate bill 3609 for the relief of Emile M. Blum.

This Department has already considered the subject in connection with a similar bill introduced in the House of Representatives and referred hither by the House Committee on Claims.

I inclose herewith, as embodying the views of this Department on the subject, a copy of a letter addressed to Hon. Edward J. Dunphy, of the Committee on Claims, by the Assistant Secretary of State, under the date of the 8th instant.

Mr. Blum rendered the Government excellent service as its representative at the Barcelona exhibition and incurred legitimate expenses in his representative capacity which the appropriation was insufficient to meet.

I have the honor to be, sir, your obedient servant,

JAMES G. BLAINE.

HON. JOHN SHERMAN,
Committee on Foreign Relations, United States Senate.

Dr. J. C. Monmonier also certifies that he became acquainted with General Tyler about 12 years ago. He was then suffering with pain in right arm, and occasionally with a numbness in his right leg. A partial paralysis of the arm and leg followed. Attended him a number of times during the period named, and during his last illness. In affiant's opinion General Tyler's death was caused by obstruction of the intestines, and subsequent inflammation of them and the peritoneum. This condition was produced by paralysis of the nerves supplying the intestines. The history of the paralysis can be traced to the wound he received on his head in battle.

General Tyler, although clearly entitled to, and often importuned by his friends to apply for a pension, never applied. His widow is now in dependent circumstances.

The long and meritorious services of her late husband alone would entitle her to recognition at the hands of Congress, even if the cause of his death were of doubtful origin. But in the opinion of your committee the connection with the service is clearly established, and Mrs. Tyler should be pensioned at the rate now so generally conceded to the widows of general officers.

The bill is therefore returned with the recommendation that it do pass, amended, however, by striking out all after the word "act" in line 9.



CATHARINE E. WHITALL.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. WILLCOX, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 3551.]

The Committee on Claims, to whom was referred the bill (S. 3551) for the relief of Catharine E. Whitall, submit the following report:

The claim has been before the Committee on Military Affairs in the Senate, which made a favorable report thereon, and contains the principal facts in the case, which report this committee adopts, with the addition that it appears that since the decease of Major Whitall his widow has paid into the United States Treasury the balance claimed of him, and recommend the passage of the bill herewith submitted.

[Senate Report No. 1346, Fifty-first Congress, first session.]

The Committee on Military Affairs, to whom was referred the bill (S. 3551) for the relief of Mrs. Catherine E. Whitall having considered the same, report as follows:

It is shown that in 1862 and 1863 Maj. John A. Whitall was stationed at Santa Fé, N. Mex., and on duty there as paymaster; that on the march of an armed military force, under the authority of the late Confederate States, by which the city of Santa Fé was taken and occupied, Major Whitall, with his office accounts, withdrew to Las Vegas and Tepelote, 100 miles or more distant from the enemy and from the battles which were fought to expel them from the country. At Las Vegas and Tepelote the paymaster made a considerable number of payments and disbursements, from which place he returned to Santa Fé. A trunk containing his vouchers and accounts was placed in a quartermaster's wagon, which, by a misunderstanding or misdirection, followed with other wagons and trains to Fort Craig, N. Mex., instead of returning directly to Santa Fé, as was expected.

By this error the wagon and the trunks were several weeks in reaching the proper destination. When they did arrive at Santa Fé it was found that the trunk containing valuable vouchers had been opened and the vouchers destroyed or stolen with other articles of value therein.

Accompanying evidence shows that Major Whitall took immediate steps to exonerate himself. He went before a United States commissioner and two witnesses made affidavit to having seen the vouchers stowed safely away in the trunk. Seven witnesses made affidavit that when the trunk did finally reach Santa Fé it had been broken open and robbed of its contents. It is nowhere shown that due diligence and care were not exercised.

A statement from the Treasury Department shows that the amount of vouchers lost as above recited amounted to \$—.

The character of Major Whitall as an officer and his reputation for honesty appear to be beyond reproach, and the committee are of opinion that the relief intended by this bill would be no more than an act of justice.

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MERCHANTS AND MINERS' TRANSPORTATION COMPANY.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. CARLTON, from the Committee on Claims, submitted the following

REPORT:

[To accompany H. R. 3658.]

The Committee on Claims, to whom was referred the bill (H. R. 3658) for the relief of the Merchants and Miners' Transportation Company, beg leave to submit the following report:

This is a bill to refund the actual amount of earnings earned by the steamships *Ben Deford* and *S. R. Spaulding* up to and including the date they were taken possession of by the United States, and also to refund to the owners of said vessels the difference between the market or sale value on date of Government sale of said steamships and the arbitrary value paid at the time of said vessels' seizure and purchase.

The owners of said steamships, viz, the Merchants and Miners' Transportation Company, were the owners of a fine fleet of steamships engaged in the coastwise trade on the Atlantic coast at the opening of the civil war of the rebellion, some of which transported troops to Fortress Monroe, Va., to save its capture by the enemy. As a punishment for this act one of its vessels, the steamship *Wm. Jenkins*, was burned by the Confederates at Savannah, Ga., in 1861. Another vessel, the *S. R. Spaulding*, came near sharing a similar fate at the time of the mob violence in Baltimore in April, 1861. The two steamships in question were originally chartered by the Government as follows: *S. R. Spaulding*, September 9, 1861, at a compensation of \$650 per day, and the *Ben Deford* October 15, 1861, at a compensation of \$750 per day, both vessels being placed at a valuation of \$165,000, respectively, as mutually agreed upon. Matters worked satisfactorily until March 20, 1863, when, without consent of the owners, their compensation was arbitrarily reduced to a per diem compensation of \$500 per day in case of both vessels, and the valuation of the vessels to \$120,000 respectively. Protest was duly made, and the owners claimed on the date in question their vessels had enhanced instead of depreciated in value, and that they were worth \$200,000 each. (Copies of protest and prayers for return of vessels appended to this report.)

It appears all compensation ceased, and the stockholders, rendered helpless and almost desperate in the premises, denied either compensation or the return of their property, finally concluded January 30, 1864, to accept any compensation they could get and sign all papers they were ordered to in order to obtain the same, believing that the Government would ultimately do justice in the premises.

(Copy of official indorsement in new charter appended to this report.)

The Government took absolute possession of the vessels in question, as follows: *S. R. Spaulding*, December 4, 1864, and *Ben. Deford*, April 20, 1864, and arbitrarily settled with the owners thereof on an arbitrary valuation of \$140,000 for each vessel, and deducted the earnings of the vessels as part payment thereof.

The Government, after the close of the war, sold the vessels in question at public auction in New York, as follows: *S. R. Spaulding*, for \$148,000, *Ben Deford*, \$156,000, or an apparent difference of \$24,000 between the market value and the arbitrary valuation.

Your committee are clearly of the opinion that the Merchants and Miners' Transportation Company are entitled to a refund of their earnings equivalent to the value of their vessels, as fixed and agreed upon by their agent, August 15, 1863 (see exhibit No. 1), deducting any payment or percentage paid on account; and it is but right and just, under the circumstances, that they should also be entitled to a refund of the difference between the market or actual sale value and the arbitrary valuation of said vessels aforesaid at the time the Government arbitrarily fixed the same, amounting to \$24,000 in both cases, and therefore recommend the bill do pass.

EXHIBIT No. 1.

BALTIMORE, August 15, 1863.

Col. J. L. DONALDSON,
Assistant Quartermaster-General:

SIR: In reply to the communication of Quartermaster-General of August 11th, 1863, a copy of which you have furnished me, I have to state that whilst we are willing to carry out the arrangement made with the Quartermaster-General for the reduction of the charters of the steamers *Ben Deford* and *S. R. Spaulding* to \$500 per day each, and of the valuation in case of loss to \$140,000 each, as was agreed upon between us and was ordered to be noted on the existing charter parties at the time, and which we thought was satisfactory to the Government, we are unwilling to name a price at which we would sell the vessels to the Government, as we do not wish to dispose of them on any terms. We would therefore prefer not to execute new charter parties according to your new printed forms.

Respectfully,

A. L. HUGGINS, *Agent*.

EXHIBIT No. 2.

BALTIMORE, January 11, 1864.

Col. R. E. CLAY,
Assistant Quartermaster-General:

DEAR SIR: I have consulted with our board in regard to the steamships *Ben Deford* and *S. R. Spaulding*. They appear extremely anxious that there should be some understanding between them and the Government, as we have repeatedly stated. I assure you we do not want to part with our ships, but are disposed that the Government should have them on charter on any reasonable terms. As you say the Government does not want the ships, suppose we set their value at \$200,000 each, and settle from the first of May and June, as the charter dates, and at which time they have been paid up to, and we will instruct our agent to settle with you and sign the charter. We think this will come under your instructions. If this is not satisfactory, I would propose that you call on one man, and me another, and the two a third, and their decision as to the valuation of the ships to be final. We hope the above suggestion will meet your approval, and that we hear from you shortly.

Yours respectively,

B. DEFORD,
President pro tem.

P. S.—Or we would be pleased, if the above does not meet your views, we would be pleased for you to pay up the ships and discharge them.

B. D.
A. L. HUGGINS.

EXHIBIT No. 3.

[Indorsement in red ink:] Charter party executed in conformity with the instructions of Quartermaster-General April 3d and 20th, 1863, having been delayed until February 1st, 1864, by unwillingness on the part of the owners to accept the new form of charter.

PRESCOTT AND ARIZONA CENTRAL RAILWAY COMPANY.

FEBRUARY 20, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. STRUBLE, from the Committee on the Territories, submitted the following

REPORT:

[To accompany H. R. 13568.]

The Committee on the Territories, to whom was referred the bill (H. R. 13568) to enable the Prescott and Arizona Central Railway Company, of Arizona to extend its road to the city of Phoenix, and for other purposes, beg leave to report:

The questions arising from the consideration of this bill so deeply affect the growth and profitable development of important portions of the Territory of Arizona that they deserve consideration of Congress.

The most accurate and reliable information obtainable by your committee shows that one of the greatest and pressing needs of the people of central, western, and other portions of the Territory is the want of transportation facilities, to be supplied only by the construction of a north and south railroad in the counties of Maricopa and Yavapai, which will permit of the profitable exchange of products between the two sections. These needs grow out of the fact that the natural products of one and each section are required by the other, and are now in the main supplied from adjacent States at great expense to the people of both of these sections by reason of the embargo placed upon commercial intercourse between the sections by intervening mountains.

For example, the lumber used in Maricopa County is brought from Puget Sound, 1,000 miles by water and 500 miles by rail, and costs the people \$40 to \$60 per thousand, while 100 miles north of Phoenix there is a great mountain plateau covered with the finest timber, and where the same quality of lumber is a drug at \$12 to \$14 per thousand. A comparison with like results can be made as to coal. Again, most of the cereals, hay, fruits, etc., used in the north are brought from California, all of which are largely and cheaply produced in Maricopa County and the south. For instance, barley can be bought at Phoenix at \$12 or \$14 per ton, while it sells at Prescott at \$40, and so with other cereals, hay, etc., all of which could be profitably exchanged at a smaller cost with facilities of transportation such as this road would afford.

So great is this need that to accomplish the construction of a north and south road through the above-named counties many efforts have been heretofore made by the people, an act of the legislature passed, elections held, and aid voted to any individual or corporation who would build it.

Maricopa County issued its bonds to the amount of \$200,000 to aid in building 34 miles of railroad from Maricopa to the city of Phoenix, and also secured the passage of an act by the legislature authorizing aid by the county of \$4,000 per mile from Phoenix to the northern

boundary, but no one could be found who had the courage to build it, and the act lapsed. Yavapai County, in 1885, authorized by the legislature, granted a subsidy of \$4,000 per mile to any company who should build a standard gauge road from the Atlantic and Pacific Railway south to the northern boundary of Maricopa County, and the Prescott and Arizona Central Railway Company in 1886 built 74 miles of this road (of such gauge) to the city of Prescott within the time prescribed by said act, and now holds the balance of the unearned subsidy to the southern boundary of said county, to be earned by building the remainder of said road *when, in its opinion, it is practicable so to do*. It is stated to this committee, however, by the representatives of this company and others and credited by the committee, that it will not pay to build railways in that county with private capital alone, and also that the extension of this company's line to the northern boundary of Maricopa and stop there is not at this time warranted, even with the subsidy which would be thus earned, unless the road can be extended to the city of Phoenix as provided in this bill, or in case a like subsidy should be granted for the mileage in Maricopa County; but finding that under the act of July 30, 1886, the granting of such subsidy is prohibited, and owing to the fact that the present indebtedness of Maricopa County largely exceeds 4 per cent, the limit of said act, the company now offers to complete its line to Phoenix, as provided in this bill, if Congress will exempt the line constructed within Maricopa County (which will be by actual survey 47 miles) from taxation, as also is provided in this bill. This, it seems to the committee, to be a fair and equitable proposition, and commends itself to the judgment of its members as one that should be accepted and acted upon by Congress.

It is further represented and credited by your committee that the construction and operation of this road would itself appreciate the value of all taxable property in Maricopa County (say from 25 to 50 per cent.) and thus while furnishing transportation facilities will enable the tax rate to be largely reduced, give an impetus to increased production, improvements, and cultivation, adding materially to its population from without its territory; and finally your committee have been assured that the company named in this bill not only desires, but has the ability, to complete the extension proposed on the terms specified.

Your committee can readily believe the statements that this company has not yet been able to reap a reasonable fruition on its expenditures in building its local road in Arizona, and that that can only be realized through the extension proposed, and therefore infer that having thus expended, as per Poor's Railroad Manual, \$2,750,000 on the Prescott and Arizona Central, it is reasonable that it should desire to extend its road as proposed in this bill; that its promises are made in good faith and will be carried out, for, as the committee is informed, with that purpose in view, the company has just completed its surveys between Prescott and Phoenix, which shows the distance by the shortest practicable route to be exactly 104 miles (26 miles shorter than contemplated at the time of the granting of the Yavapai subsidy), and which under this bill will save to that county \$104,000 in the unearned subsidy.

Therefore, your committee reports the bill back with a recommendation that it be amended by striking out the entire preamble, and by striking out the word "twenty" in the sixth line of section 3, and inserting the word "ten" in lieu thereof, and that, so amended, the bill do pass.

DRUSILLA A. SHERWOOD.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. FLICK, from the Committee on Invalid Pensions, submitted the following

REPORT:

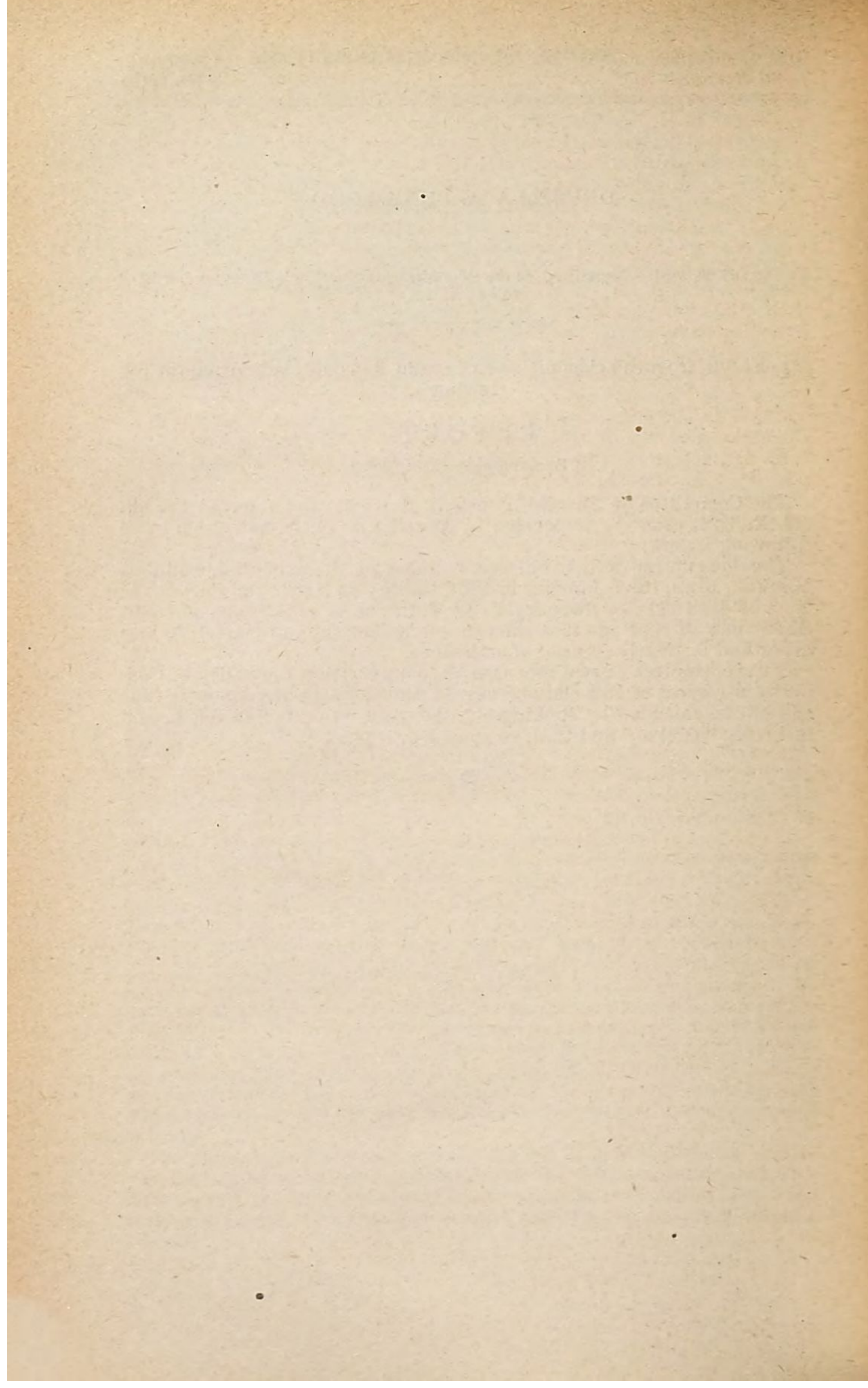
[To accompany H. R. 5924.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 5924) granting a pension to Drusilla A. Sherwood, submit the following report:

The beneficiary of this bill was a nurse at the general hospital at Keokuk, Iowa, from January 9, 1863, to May 22, 1863, and during the time of such service discharged her duties in a satisfactory manner. She is now of that age that she can not longer support herself by her labor and is greatly in need of assistance.

Your committee regard this case as coming within the policy of Congress in respect of this class of nurses, and therefore recommend that the bill be amended by striking out the word "twenty," in line 6, and inserting "twelve," and that, so amended, it pass.





GEORGE W. GRAY.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. FLICK, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13643.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13643) granting a pension to George W. Gray, submit the following report:

George W. Gray enlisted in Company H, First Regiment Massachusetts Volunteers, May 22, 1861. At the battle of Bull Run, July 18, 1861, he received a severe shell wound of right thigh and loins, was taken prisoner and held as such until January 17, 1862, during which time he was in hospital awaiting recovery from said wounds. They were, however, only partially healed when paroled, and on December 29, 1862, he was discharged on surgeon's certificate of disability by reason of these wounds.

Gray is now in receipt of pension for the wounds at \$30 per month, the highest rate allowable under the general law, unless he becomes so totally disabled as to require the regular aid and attendance of another person. Wounds are described as follows:

(1) Over outer aspect of right thigh from trochanter downwards, 12 inches in length, with average width of 2 inches.

(2) Nearly circular scar 1 inch in diameter, about 2 inches to right of spine and 2½ inches below crest of ilium.

(3) On left side of sacrum 2½ inches diameter, irregular in outline. All these scars are deeply depressed, adherent, and tender. The missile fractured the right femur, removed portions of the great trochanter, injured the superior spinous process of both right and left ilium, destroyed the overlying muscles and tissues, and affected the subjacent nerves, blood vessels, etc., by the resulting inflammation and suppuration. There is now a marked sensitive condition over left kidney and left lumbar and inguinal regions. Urine high red, acid, albumen about 30 per cent. by measure; deposit copious; on microscopic examination shows numerous blood and pus-corpuscles, oxalate of lime, crystals, numerous fleshy shreds, and a few structureless casts. Hydrocele contains about 2 ounces of fluid. Right inguinal hernia, size of a large walnut. Light varicose veins of right leg. Considerable tenderness of lumbar and gluteal muscles, with inability to stoop or rise without help. The right arm and hand are affected by paralysis agitans. He is permanently disabled by the wounds and effects, and should be rated at least second grade therefor.

This is the statement of the examining surgeons.

Not only disqualified for the performance of any manual labor, the pensioner suffers intensely, is confined to his bed most of the time and as heretofore stated, can not stoop or even rise from his bed without the aid of another person.

It is evident from the certificate of the board of examining surgeons

that, would the law permit, a rate higher than \$30 per month, could be given or would be more commensurate with the degree of the existing disability.

Your committee believe that some relief should be afforded this unfortunate defender of his country and therefore report favorably on the accompanying bill and ask that it do pass, amended, however, by striking out the words "seventy-two" in line 7, and insert therein instead the word "fifty."

○

ANGUS McVIGOR.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. FLICK, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 6838.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 6838) for the relief of Angus McVigor, of Lowell, Mass., submit the following report:

Angus McVigor is now a pensioner at the rate of \$4 per month, for left varicocele incurred while serving as corporal of Company G, Fifteenth Regiment United States Infantry. He also suffers from disease of stomach and bowels, bronchitis, disease of heart, and defective vision, alleged to be the result of a fever while in a prior service in the Navy, and measles contracted in the Fifteenth United States Infantry. But his claim therefor has been rejected on the ground of prior unsoundness.

It appears that McVigor enlisted in the Navy January 21, 1864, and served on the *Princeton*, *Philadelphia*, and *New Hampshire*, and was discharged October 25, 1864, on account of disease of lungs. The medical records of the Navy show that he was "admitted to treatment for catarrhus August 13, 1864. Complained of cold and pain in right breast, afterwards of weakness about heart, palpitation and loss of appetite. Again came under treatment September 4, 1864, record showing that sailor has gradually lost flesh and strength, has a violent harsh cough, severe pain in chest, palpitation of heart and dyspnœa. Disability did not originate in line of duty."

On November 15, 1864, McVigor again enlisted, as heretofore stated, in Company G, Fifteenth United States Infantry, and on March 21, 1865, was admitted to hospital with measles, where he remained under treatment until July 6, 1865, when discharged upon surgeon's certificate of disability by reason of "chronic bronchitis with extreme debility, following an attack of measles, for which he was admitted to this hospital in March last. Disease contracted since enlistment. Disability total."

McVigor has been totally disqualified for the performance of any manual labor ever since discharge from the service, and during this entire period been dependent upon his devoted wife for support.

The only obstacle in the way of getting a pension commensurate with the degree of his disability is the adverse record of the Navy Department. It is well known to all who have had experience in the settlement of Navy pension cases that unless the incurrence of a disability comes under the personal observation of the medical officer making an

entry of treatment therefor, such entry will almost generally be "not originated in line of duty," or "existed prior to enlistment."

Aside from the unreliability of the Navy records, there are other reasons why this soldier's claim should not be entirely ignored. He served in the Army subsequent to his discharge from the Navy for several months before he came under treatment for measles. It was no ordinary case of measles, for he never left the hospital until, more than 3 months thereafter, he was discharged with every evidence of the damaging sequences of that disease. His condition is deplorable. Only aided by his faithful wife is he able to appear before your committee. A most thorough special examination of the case failed to disclose any cause for this condition, except that which is alleged by the claimant, and, at least in part, sustained by the record.

In view of all the facts in the case, your committee are clearly of opinion that relief can not come too soon, and, therefore, report favorably on the accompanying bill; amended, however, by striking out all after the word "McVigor," in line 4, and insert therein instead the words "late of Company G, Fifteenth Regiment United States Infantry, upon the pension roll at the rate of thirty dollars per month in lieu of the pension now received by him;" also, by striking out the words "of Lowell, Massachusetts," in the title of the bill.



BENJAMIN B. HAUGHKIRK.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. FLICK, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 403.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 403) granting a pension to Benjamin B. Haughkirk, submit the following report:

Your committee adopt the report of the Senate committee, as follows:

This bill is to raise the pension of Benjamin B. Haughkirk, late of Company E, One hundred and twenty-second Regiment New York Volunteers, from \$24 to \$72 a month.

The soldier incurred two very disabling wounds in the service, which deprived him of the use of his left leg and left arm. They were shell wounds, and from the examination of the several medical examining boards it appears that they were followed by gangrene, sloughing of the flesh, loss of bone, and continuous discharges. Both limbs are wasted and deprived, to an almost total extent, of muscular power. In addition to these disabilities he suffers much from the effects of sunstroke, is often troubled with vertigo, is deaf in his right ear, and partially so in his left. All of these physical failings are admitted to be the result of his service.

The medical board certifies that his arm wound is equal to amputation above the elbow, and it is apparent that his left leg is as nearly as possible useless, while both are a constant cause of suffering. The disabilities were incurred 25 years ago, and the result has been a continuous and prolonged wasting of his strength, and at the present time he is totally disqualified for any employment and needs daily the care and attention of another person. He is not entirely helpless, but he often requires assistance, and is never able to do anything for his own support. If he had lost the wounded arm and leg he would be entitled to a high rate of pension, and yet the aggregate of disability is more than equal to the amputation of both of his diseased limbs, to say nothing of vertigo, deafness, and continuous suffering. He is an old man, physically helpless, and, in the opinion of the committee, entitled to relief.

Your committee recommend that said bill be amended by striking out the words "seventy-two," in line 7 thereof, and insert the word "fifty," and when so amended that said bill do pass.

WILLIAM A. PECK.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SAWYER, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13344.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13344) increasing the pension of William A. Peck, have considered the same and report as follows:

The claimant was a private in Company H, Third New York Volunteer Infantry, and served from May 19, 1861, to May 21, 1863, when honorably discharged. While in said service the applicant incurred a rupture of the right groin by severe marching, and he is now receiving a pension at the rate of \$8 per month on account of that disability.

Mr. Peck is now physically a wreck from the rupture and from paralysis agitans.

Amos O'Brink, a comrade of the pensioner, testifies that he (the applicant), in addition to incurring the hernia in the service, contracted a disease of the spine and nervous system, from heavy marches and carrying weighty accouterments. This witness further testifies that the claimant's condition has gradually grown worse since discharged until now he is entirely helpless.

The applicant's condition is further shown by an affidavit of Dr. A. W. Post, who gave it as his opinion that the paralysis agitans (as well as the rupture) is due to the service.

The foregoing facts are all shown in the papers on file at the Pension Office, but that Bureau has not regarded the evidence as sufficient to warrant the allowance of the claim on account of paralysis agitans.

Accompanying the bill is the following additional testimony:

In relation to the relief of William A. Peck, late private in Company H, Third Regiment New York Infantry, by special act of Congress.

STATE OF NEW YORK, *County of Tioga*, ss:

George P. Cady, M. D., being duly sworn, says in regard to the above-mentioned matter, that he is a member of the board of United States pension examiners situated at Owego, Tioga County, N. Y., and that he is acquainted with William A. Peck, late private in Company H, Third Regiment New York Infantry, and with his circumstances, and with the circumstances surrounding this case; that the said William A. Peck is in the following physical condition: That he is afflicted with locomotor ataxia in its later stages; that he is entirely unable to care for himself in any way, and requires the constant aid of an attendant.

That the said William A. Peck is destitute and without any means of support, except the pension he draws under certificate No. 365506, which is totally inadequate to support him in his present condition; that it is the opinion of this affiant, as a physician, that the condition in which the said William A. Peck now is is the result of an injury which he received while in the service of the United States, but

that, owing to the difficulty of understanding anything that is said by the said William A. Peck, it is impossible to find the witnesses necessary to satisfy the Pension Department of that fact; that the said William A. Peck has living at the present time a father, aged 80 years, who is totally blind, and a mother, aged 83 years, and that his father and mother are just barely able to live with the aid of the pension given the mother as dependent mother of another son; that the said father and mother were the parents of three sons, two of whom died in the military service of the United States in the late rebellion, and the third is the said William A. Peck; that he has known the said William A. Peck for 30 years, and knows that before his condition became so bad as to render him totally helpless he was honest, industrious, and in every way a good citizen of the United States; that all people in this section of the country knowing of the condition of affairs in this case are desirous that Congress grant whatever relief is deemed just to the said William A. Peck, and that this affiant personally urges upon the committee that this is a case deserving of their attention, and asks a favorable report to the House of Representatives.

GEO. P. CADY, *M. D.*,

OWEGO, N. Y., *January 21, 1891.*

Subscribed and sworn to before me this 21st day of January, 1891.

[SEAL.]

J. S. GROSS,
Notary Public.

The erasures and changes from the plural to the singular number were made before swearing.

J. S. GROSS,
Notary Public.

In relation to the relief of William A. Peck, late private in Company H, Third Regiment New York Infantry Volunteers, by special act of Congress.

STATE OF NEW YORK, *County of Tioga, ss:*

William Smyth, being duly sworn, says that he is acquainted with the facts set forth in the affidavit of George P. Cady, *M. D.*, and knows that the facts therein set forth are true, except as to the physical condition of the said William A. Peck, and he believes the statements of Dr. Cady in this respect are true; that he is postmaster at Owego, Tioga County, N. Y., and is acquainted with the above-named affiant, and knows that he is as he represents himself to be, and that his statements are entitled to the utmost credit.

WM. SMYTH, *Postmaster.*

Sworn to and subscribed before me this 23d day of January, 1891.

[SEAL.]

W. G. SMYTH,
Notary Public.

The claimant's present condition of utter helplessness appears to have been of comparatively recent development, but the history of the case is such that it may reasonably be presumed to be the result of his 2 years of arduous service during the late war.

Your committee therefore, in view of all the facts, return the bill with the recommendation that it do pass with an amendment to fix the rate of pension at \$30 per month.

JOHANNA CARROLL.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SAWYER, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13652.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13652) granting a pension to Johanna Carroll, submit the following report :

The beneficiary is the daughter of Cornelius Carroll, late a private in Company K, Twelfth Illinois Volunteers. The soldier was killed at the close of the battle of Pittsburgh Landing, and he died leaving no widow surviving him. The claimant is now 40 years of age and has been from childhood a helpless cripple from a disease of the hip and spine to such an extent that she is barely able, with the assistance of crutches, to move about, and from the nature and long standing of the disease such disability will without doubt continue during her life.

No person is now drawing any pension on the account of said soldier, and the claimant is without means of support and dependent on others.

Your committee would therefore recommend the passage of the bill with an amendment striking out the word "eighteen," in line 7, and inserting in place thereof the word "twelve."



DANIEL ULLMAN.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SAWYER, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 5077.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 5077) granting a pension to Daniel Ullman, submit the following report:

The evidence in this case shows that General Ullman rendered very distinguished service in the Army. He is now getting to be advanced in years, and in dependent circumstances.

The report of the Senate committee is hereto annexed and made a part hereof.

The committee believing this to be a meritorious case and would recommend the passage of the bill with an amendment striking out the words "one hundred" in the sixth line of bill and inserting in place thereof the words "seventy-two."

[Senate Report No. 2270, Fifty-first Congress, second session.]

The Committee on Pensions, to whom was referred the bill (S. 5077) granting a pension to Daniel Ullman, have examined the same and report:

The services of Gen. Daniel Ullman were of a very distinguished character. He entered the service in the command of the Seventy-eighth Regiment of New York Volunteers. This regiment was raised under his auspices, and to its raising his own funds largely contributed. In the campaign which ended in the second battle of Bull Run, he and his company were subjected to very great hardships; he himself was taken with typhoid fever, and in that condition fell into the hands of the enemy; upon the retreat, was taken to Richmond and confined in Libby Prison, from the effects of which confinement and the severe and almost fatal attack of typhoid fever he has never fully recovered.

In December following he was exchanged, and in the January following he suggested to President Lincoln the raising of colored troops and received orders from the President to raise a brigade of 5 regiments, which was followed by his promotion as brigadier-general, with authority to appoint his officers. He established his headquarters at New York City, selected a cadre of white officers, and proceeded to Louisiana, where he filled a brigade of 5 regiments of colored troops, which subsequently grew into a corps of 17,000 men. He was in the service 3 years and 7 months. His eyesight has recently become so greatly impaired that he can neither read nor write; as the result of military hardships he is permanently lamed in the left leg, and the whole of his left side is affected with paralysis. He is now advanced in years. He has hitherto refrained from applying for a pension, but his circumstances have recently become such as to compel him to do so.

The passage of the bill is recommended.

JOHN B. ANGELL.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. CRAIG, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13688.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13688) to pension John B. Angell, father of James C. Angell, of Company G, Fifth Pennsylvania Cavalry, submit the following report:

The proposed beneficiary is the father of James C. Angell, alias John McShier, who served as private of Company G, Fifth Pennsylvania Cavalry, from August 10, 1861, to August 7, 1865, when mustered out of service.

The father's claim for pension has been rejected on the ground that the evidence fails to show that the soldier's death was the result of his military service.

It appears in evidence that soldier at date of his discharge was entirely broken down with rheumatism and chronic diarrhea, and when he reached the home of a relative near White Haven, Pa., he was so weak as to compel him to stay there for a few days. Having rested himself he started for his father's place, about 50 miles distant. He never reached there; but about a month after his discharge a letter was received by the father from that relative that the soldier had died on the road.

This letter was burned up with the contents of claimant's house, and the relative, and others who knew of the soldier's serious illness and death have since died. It is therefore impossible for the claimant to procure the evidence required by the Pension Office. The case has, however, been specially investigated, in particular with reference to a rumor that soldier after leaving the house of his relative near White Haven, had been murdered for his money. The most thorough investigation failed to trace such rumor to any reliable source, but rather strengthened the presumption that soldier fell by the wayside from exhaustion, as was claimed by his relatives at the time.

The special examiner, in submitting the case for admission, says:

The testimony taken, and that which is reliable, shows that the soldier was in a very weak and debilitated condition at the time he was at David Dean's house; that he was a mere skeleton from the effects of chronic diarrhea and rheumatism incurred in service. He was still suffering from those diseases when last seen. In the absence of proof to the contrary, the presumption is that he died of those ailments, and in that belief, and as the claimant is extremely old and feeble, I think the claim should be settled on the testimony already in, etc.

Claimant had four sons in the Army during the late war. He is now 95 years of age, and dependent upon the charity of his children. The mother of the soldier died in 1852.

Your committee are of opinion that the soldier died from disease contracted during his 4 years of service, and that his dependent condition entitles the claimant to a pension.

The bill is, therefore, returned with the recommendation that it do pass; amended, however, by adding after the words "James C. Angell," wherever the same may appear in the bill and title thereof, the words "alias John McShier."

O

ELLIS P. PHIPPS.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. CRAIG, from the Committee on Invalid Pensions, submitted the following

R E P O R T:

[To accompany H. R. 13587.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13587) granting an increase of pension to Ellis P. Phipps, submit the following report:

Ellis P. Phipps was enrolled September 1, 1862, in Company A, Twelfth New Jersey Volunteers, as first lieutenant. He was discharged September 29, 1864. He was wounded in left arm May 12, 1864, at Spottsylvania, Va. He was pensioned for said wound and for inguinal hernia, which has been increased until now he receives \$36 per month.

His condition is shown by report of medical examination—

Arm covered with numerous scars; integument around elbow joint is red and inflamed; now discharging pus from two sinuses leading to necrosed bone; $1\frac{1}{2}$ inches radius has been removed; end of radius is prominent and pushes out the inflamed skin below elbow; motion of proximal and of radius can be plainly seen when forearm is rotated; a portion of external condyle of humerus is also gone; joint firmly ankylosed at an angle somewhat more obtuse than a right angle; hand carried in a sling; totally disabled for purposes of manual labor. Rate, \$36.

He also has right inguinal hernia, requiring wearing of suspensory bandages to prevent protruding into scrotum, and causing much trouble, suffering, and inconvenience. From these disabilities he is constantly incurring expense for medical attendance and appliances, which reduce the assistance in his support of his pension. He has filed a large amount of evidence showing his helplessness and the attentions of others necessary almost to the requirements of the law granting \$72.

Your committee recommend that the bill do pass, amended to read forty-five instead of seventy-two.

MARION McKIBBEN.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. CRAIG, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4498.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4498) granting a pension to Marion McKibben, submit the following report (adopting the Senate report):

This bill proposes to pension Marion McKibben, widow of the late Major and Brevet Brigadier-General McKibben.

Mrs. McKibben is completely broken down in health and unable to do anything for her own support. This condition of her health is believed to have been, to a great extent, brought on by nursing her late husband who was for many years prior to his death a great sufferer from rheumatism contracted during the war. Her relatives are in no condition to render her assistance, and she is practically without any means of support.

General McKibben, while engaged in battle during the month of August, 1863, was captured and taken to Libby Prison, where he contracted scurvy from the effects of which he never recovered, and which finally resulted in cancer and death. Mrs. McKibben had been previously married to a Mr. Herring, a young man of great promise and who responded to the first call of the Government for troops in 1861, and was killed at the head of his command in one of the early battles of the war.

This appears to be a worthy case, one of great merit and hardship, and in view of the services of her two husbands and her own sufferings and sacrifices incident to their services and her present helpless condition, the country should not allow her to suffer for means of support.

Hereto appended, is the military record of Brevet Brigadier-General McKibben.

Statement of the military service of David B. McKibben, of the United States Army, compiled from the records of the Adjutant-General's Office.

WAR DEPARTMENT ADJUTANT-GENERAL'S OFFICE,
Washington, December 12, 1890.

He served as a cadet at the U. S. Military Academy from July 1, 1846, to November 4, 1847. He was on sick leave to some time in June, 1848; during a portion of the latter period he served in the Army in the war with Mexico, and present at the U. S. Military Academy to October 31, 1848, when his resignation as cadet was accepted. He was appointed second lieutenant Ninth Infantry March 3, 1855; first lieutenant

March 1, 1861; appointed captain Fourteenth Infantry May 14, 1861; he was mustered in as colonel One hundred and fifty-eighth Pennsylvania Drafted Militia November 24, 1862; mustered out of volunteer service August 12, 1863; mustered in as colonel Two hundred and fourteenth Pennsylvania Volunteers April 5, 1865, and honorably mustered out of volunteers April 30, 1866.

He was transferred from the Fourteenth to the Thirty-second Infantry September 21, 1866; promoted major Tenth Infantry September 15, 1867; unassigned March 15, 1869; assigned to Tenth Cavalry January 1, 1871.

He received the brevets of major August 1, 1864, for gallant services at the battle of North Anna, Va.; of lieutenant-colonel August 1, 1864, for gallant services at the battle of Bethesda Church, Va.; of colonel and brigadier-general, and brigadier-general of volunteers "for gallant and meritorious services during the war" to rank from March 13, 1865.

He was on regimental recruiting service from April 23 to July 7, 1855; with regiment at Fort Monroe, Va., to December 15, 1855, and in Washington Territory to July 22, 1858; commanding escort to Astronomical Party, Northwestern Boundary Commission, to December 8, 1858; with regiment in Washington Territory to April 21, 1861; en route to Washington, D. C., under orders to report to the Secretary of War to June 7, 1861; on mustering duty at Trenton, N. J., and Elmira, N. Y., to August, 1861; on recruiting service to September 29, 1861; with regiment in the Army of the Potomac, to November, 1862; commanding One hundred and fifty-eighth Pennsylvania Militia, in Virginia and North Carolina, to August 12, 1863; aid-de-camp to General Ayers, commanding Second Division, Fifth corps, September 25 to November, 1863; on duty at draft rendezvous, Madison, Wis., to May, 1864; commanding regiment in the Army of the Potomac to June 2, 1864, when taken prisoner in action at Bethesda Church, Va.; prisoner of war to October, 1864; at Camp Parole, Maryland, to December, 1864; with regiment in New York to February, 1865; on recruiting service in New York to April, 1865; commanding Two hundred and fourteenth Pennsylvania Volunteers, in the Army of the Shenandoah, to July, 1865; in Washington, D. C., to March, 1866, and on special duty to April 30, 1866; on leave to August, 1866; on recruiting service and commanding post of David's Island, New York, to September, 2, 1868; on leave to March, 1869; awaiting orders to May, 1869; on reconstruction duty, etc., in Virginia to February, 1870; on recruiting service to January, 1871; on permission to delay, and on leave of absence to March 26, 1871; with regiment in Indian Territory to August 1, 1871; on sick leave and surgeon's certificate of disability to January 5, 1872; with regiment in Indian Territory to December 11, 1872; on leave to February 8, 1873; with regiment in Texas to November 28, 1873; on sick leave and surgeon's certificate of disability to July 10, 1874; on duty at Fort Richardson, Tex., to September 26, 1874; on sick leave to May 31, 1875, when retired from active service, having been found incapacitated for active service on account of chronic rheumatism, and paralysis of the left side, contracted while in the line of duty.

Died at Washington, D. C., November 8, 1890.

J. C. KELTON,
Adjutant-General.

MANUEL TIBBS.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. TURNER, of New York, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13042.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13042) granting a pension to Manuel Tibbs, submit the following report:

The claimant was a slave living near Fredericksburgh, Va., and in the spring of 1863 became a teamster in the Quartermaster's Department, Army of the Potomac. He makes affidavit, as does one Robert Coleman, that he was compelled to enter the service as teamster at that time. That the department had not the necessary teamsters, and soldiers were detailed as teamsters, and that many negroes were then taken and put to work as teamsters to relieve the soldiers. While in the Quartermaster's Department in that same year he was ordered to assist in confining a vicious mule, and while so doing was kicked in the forehead, from which kick he became and is totally blind.

He applied for a pension in the Pension Office, and while there was no doubt that he had contracted the injury in the manner aforesaid, his claim was rejected because he was not an enlisted man.

Your committee, however, believe that in view of his compulsory service and the gravity of the injury he sustained that he is entitled to some measure of relief, and recommend the bill do pass, amended, however, by adding "and pay him a pension at the rate of twelve dollars per month."

JACOB BERG.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. GOODNIGHT, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 1143.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 1143) granting a pension to Jacob Berg, submit the following report:

The evidence on file shows that the claimant, a German, enlisted in a regiment which was then being raised at Guyandotte, W. Va., November 10, 1861; that the raising of the regiment was retarded, but those men there remained in camp under the command of one Colonel Skinner; that while so in camp the same was attacked by a regiment of Confederate cavalry under the command of Colonel Jenkins, and that in resisting said attack, the cavalry being successfully resisted, the claimant was badly wounded by a gunshot wound through the upper part of the left leg, for which he was treated at a cost to himself of \$35. From that wound the claimant has never recovered.

He remained in camp, being treated for said wound, until April 29, 1862, when the regiment was mustered into the service of the United States, but the claimant was rejected on account of said gunshot wound, and consequently was not mustered into service, and has no pensionable status at the Pension Office, and his claim was for that reason rejected.

Your committee, believing this to be a meritorious case, would recommend the passage of the bill.

EMILY M. TYLER.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MARTIN, of Indiana, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13224.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13224) granting a pension to Emily M. Tyler, submit the following report:

The bill proposes to pension Mrs. Emily M. Tyler, the widow of the late Brig. and Bvt. Maj. Gen. Erastus B. Tyler, who died January 9, 1891.

Erastus B. Tyler entered the service as colonel of the Seventh Regiment Ohio Volunteers, 3 months' organization, April 25, 1861, and mustered in as colonel of the same regiment for 3 years in June, 1861. He continued in command of his regiment until May 20, 1862, when promoted to brigadier-general for gallantry on the field.

The regiment of which he was colonel and the brigade which he commanded were in action at Cross Lanes, W. Va., August 26, 1861; Winchester, Va., March 23, 1862; Port Republic, June 9, 1862; Cedar Mountain, August 9, 1862; Antietam, September 17, 1862; Chancellorsville, May 1, 2, 3, and 4, 1863; Gettysburgh, July 2 and 3, 1863; Lookout Mountain, November 24, 1863; Mission Ridge, November 25, 1863; and many others. He was appointed major-general by brevet March 13, 1865, and finally mustered out on August 24, 1865.

General Tyler was conspicuous for hard fighting and successful results. He received severe injuries of left side of body and side of head by fragments of a shell, and suffered from intestinal troubles for some time, as shown by the record.

Dr. James H. Butler, of Baltimore, Md., testifies that his acquaintance with General Tyler commenced during the war. He was then suffering from the effects of injuries received in battle. A shell burst near him, and spent fragments from it struck him upon the left side of the body and upon the left side of his head. The injury of the head was the most serious one in the opinion of the affiant, the effects of which was shown by a hard, bony prominence as large as half a walnut, but General Tyler always considered the injury to side the worst. From the wound of the left side of head a gradual paralysis began, first noticeable in the right leg and then extending to the right arm, steadily increasing in force. Finally the disease grew so that the paralysis reached the nerves which supply the intestines, and then paralysis of the body and death took place.

WASHINGTON, D. C., May 8, 1890.

SIR: I have the honor to acknowledge the receipt of your letter of the 28th ultimo, respecting House bill No. 9611 for the relief of Emile M. Blum, late commissioner-general of the United States to the Barcelona exhibition.

Mr. Blum made a very excellent showing for the United States at Barcelona. Our section was regarded as the handsomest, and was the subject of many flattering testimonials.

Mr. Blum was very energetic in the performance of his duties, and was highly commended by the American exhibitors for his services in their behalf.

Out of the seventy-six manufacturers represented, twenty received gold medals; nineteen received silver medals, sixteen received bronze medals, and nine received honorable mention.

The number of American exhibitors was much greater than was expected at the time the appropriation of \$25,000 was made, and this sum proved inadequate to meet the increased expense.

Mr. Blum met the extra expense out of his own funds, and now asks relief.

The principal items of expense borne personally by Mr. Blum were those for advertising, traveling expenses incurred in visiting manufactories, and rent of furniture.

The act of appropriation made no provision for a compensation for the commissioner, but this Department knows of no reason why compensation might not now be provided.

I have the honor to be, sir, your obedient servant,

WILLIAM F. WHARTON,
Assistant Secretary.

Hon. EDWARD J. DUNPHY,
House of Representatives.

Mr. Blum was appointed commissioner-general to the exposition immediately after the passage of the joint resolution of April 11, 1888, having theretofore been designated as the honorary commissioner by the Secretary of State.

As the opening of the exposition was set for the following month, May 1, extraordinary exertions were deemed necessary to secure representative exhibits, thus entailing greater expense than would have otherwise been required, and Mr. Blum spent day and night in traveling, conferring with manufacturers and chambers of commerce in his endeavors to give widest publicity to the fact of our Government's intention to take part in the exposition, the first ever held in Spain.

As soon as possible Mr. Blum sailed for Spain, where, upon arriving at Barcelona, he found that the goods which had been shipped by forty-four manufacturers to their own agent had been abandoned by him and lay on the wharves, exposed to the weather, without shelter. The extra expense of securing the release of these goods and their installation, which was directed to be done by the Department of State, took from the available funds \$5,000 which had not been anticipated, thus disarranging all the plans for the expenditure of the amount of the appropriation, rendering it insufficient to meet the necessary expenses.

Added to this was the fact that the unusual and heavy demands for labor to install the exhibits led to a succession of strikes at Barcelona, and advantageous contracts made by Mr. Blum were broken over and over again, entailing heavy extra expense in order to have the United States section at all. These expenses, amounting to over \$7,500, were met from the private resources of Mr. Blum, and he asks that he may be allowed a salary at the rate which has in similar cases been allowed commissioners-general to expositions, to in a measure reimburse him for what he paid out in the interest of the Government.

The within letters from the Department show that the exertions of Mr. Blum met with successful results, and that the appropriation was insufficient to meet the necessary expenses incurred as above stated.

Mr. James M. Seymour, jr., was appointed assistant commissioner, and sent over by the Department to the exposition in September, 1888, after it was well under way, to examine into and report upon the mechanical exhibits, he being an expert. He was merely allowed his expenses, and the bill proposes to give him \$2,500 as a salary for his services.

The committee recommend the passage of the bill.

EMILY J. WELKER.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BELKNAP, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13206.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13206) granting a pension to Emily J. Welker, submit the following report:

The claimant is the widow of Henry Welker, of the Eighty-eighth Illinois Volunteers. She was placed upon the pension roll as widow of said soldier, having furnished the proper evidence. She remarried one Isaac Wilson and thereby forfeited her pension. She has obtained a divorce from said Wilson on account of cruel and inhuman treatment. She is in destitute circumstances.

Your committee recommend that she be restored to the pension rolls, and that the bill do pass.

MRS. MALINDA HAWKINS.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. YODER, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 11014.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 11014) granting a pension to Mrs. Malinda Hawkins, have considered the same and report:

In her petition for relief by special act of Congress the claimant states that on July 3, 1862, she was appointed matron of United States General Hospital No. 5, at Saltwells, near Evansville, Ind., and served as such until September 16, of the same year when from overwork, exposure, and nervous prostration her health gave way to such an extent that she was obliged to resign her position and return home.

Her health has continued bad to the present time, and as she grows older the effects upon her nervous system grow more severe. She served while in said hospital without pay and refused to have her name placed upon the hospital register.

Dr. Fleetwood H. Sale, of Dillsborough, Ind., swears he was late acting assistant surgeon in charge of general hospital, Saltwells, Evansville, Ind., and was on duty at said hospital when Mrs. Hawkins was appointed matron. Her duties were to take charge of all sanitary supplies and dispense the same to sick and disabled soldiers on the orders and directions of the surgeon in charge; that Mrs. Hawkins satisfactorily discharged her duties as said matron until she was, from overwork, exposure, nervous prostration, and ill health, obliged to resign, and that during her entire service of over 2 months she furnished her own clothing, washing, and subsistence.

C. L. Hollis of Boonville, Ind., late hospital steward of the above named hospital, corroborates in all its details the testimony of Dr. Sale.

The standing of these witnesses for truth and veracity is shown to be good.

The claimant's residence and post-office address is Petersburg, Ind.

In view of the many precedents established by Congress for pensioning the faithful hospital nurses of the war of the rebellion, your committee respectfully recommend the passage of the bill.

GEN. W. H. POWELL.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. YODER, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 5012.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 5012) granting an increase of pension to Gen. W. H. Powell, submit the following report:

The facts in this case are clearly set forth in the Senate report which is adopted by your committee.



ADMINISTRATOR ESTATE OF PHEBE LEIBARGER.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LANE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 11233.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 11233) for the relief of the administrator of the estate of Phebe Leibarger, widow of Jacob Leibarger, deceased, submit the following report:

Your committee, having carefully examined the evidence in this case, find that Phebe Leibarger was the widow of Jacob Leibarger, deceased, who was late a private of Company H, Twenty-seventh Regiment of Illinois Volunteers, in the war of the rebellion; that said Phebe Leibarger died on the 29th day of December, A. D. 1888; that as such widow there had been issued to her a certificate, No. 225809, for widow's arrears of pension, dated November 19, 1888.

That said Phebe Leibarger died in Jackson County, Ill., on the 29th day of December, 1888, and was buried in said Jackson County, Ill., on the 30th day of December, 1888; that the pension granted to her under said certificate No. 225809 had not been paid to her, nor any one for her, at date of her said death; that under said certificate No. 225809 there was due from the United States Government to the said Phebe Leibarger, widow as aforesaid, at the date of her death, the sum of \$922.93, being the arrearages of pension allowed her, the said Phebe Leibarger, under said certificate No. 225809 issued to her November 19, 1888.

That after the death of said Phebe Leibarger one William E. Glasby, of said Jackson County, Ill., was by the county court of said county duly appointed administrator of the estate of said Phebe Leibarger, deceased, qualified as such, and is still the legal and acting administrator of said estate. All these facts fully and sufficiently appear from the evidence before your committee.

After a careful consideration of the facts in this case, it is clear to your committee that as the said certificate No. 225809 for widow's arrears of pensions was issued to said Phebe Leibarger 40 days before the death of said Phebe Leibarger, and that it was no fault or neglect on the part of said Phebe Leibarger that said sum was not paid to her during her life, the Government should now pay to the legally constituted administrator of the estate of said Phebe Leibarger the sum of money due under said certificate.

Your committee therefore recommend that said bill do pass.

MISS MARY E. HULL.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LANE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 11548.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 11548) granting a pension to Miss Mary E. Hull, submit the following report:

Your committee have examined this case and the evidence and the facts presented very carefully. The evidence fully establishes the fact that the beneficiary in said bill was the sister of James and John A. Hull; that said James died in the service of his country in the war of the rebellion; that said John A. was a member of Company F, Eighty-first Illinois Volunteers, in the war of the rebellion, and also was in the Mexican war; that said Mary E. is now and always has been a single woman.

That her brother, John A., was a widower when he entered the service of the United States in the war of the rebellion. That she lived with and was keeping house for him at said time; that he then had three young, helpless children, and the said Mary E. took charge of them during his absence, cared for and educated them; that she had no money or property of her own, but devoted her energies and life to her said brother, John A., and his children, both during and after the war; that her brother, John A., remained a widower till his death.

That he died about 4 years ago, leaving no property or money, and that said Mary E. has no property or money, is near 60 years of age, from disability is unable to support herself, and is dependent on her friends for support. That said John A. Hull contracted disabilities while in the line of duty in the service of his country in the late rebellion from which he never recovered and of which he died; that he was at the date of his death drawing a pension for such disabilities. That said Mary E. was dependent on her said brother, John A., for support during his life, and since his death, on the charity of friends. That for medical evidence furnished your committee she is now, from age and disability, unable to work or labor to support herself.

That she is, and always has been, a lady of good and irreproachable character and reputation, respected by those who know her. That said Mary E. by her devotion to the family of her said brother, John A., caring for and rearing them from childhood to maturity, lost and abandoned the opportunities of young womanhood, and your committee fully believe that after these years of devotion to this soldier of the Union and his children, that she should in her old days be cared for by a generous Government, recommend that said bill do pass, with the following amendment, viz: in line 8 strike out the word "fifty" and insert in lieu thereof the word "twelve."

JOHN S. FURLONG.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LANE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4809.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4809) granting a pension to John S. Furlong, submit the following report:

The committee have considered this case and adopt the Senate report as the report of this committee, which is in the words and figures as follows:

The claimant under the bill was late a private of Company D, Fifth United States Infantry, who was originally pensioned at \$10 per month, in April, 1885, for diarrhea and lung disease, and who, after repeated examinations, has been raised to \$17, under an admitted additional disability from chronic rheumatism.

These repeated adjudications of his case in the Pension Bureau establish every point touching service and incurrence in the line of duty of the disabilities now afflicting him, and leave for the consideration of the committee the single one of the adequacy of his pension. On this point the testimony of those living with him has satisfactorily established the fact of his great suffering and helplessness, requiring the services of an attendant to enable him to perform the simplest functions necessary to the sustenance and decencies of life; but the most convincing testimony was that given by the claimant himself, who made profert before the committee of his person. He is unable to dress or feed himself, or to stand, even on his crutches, except with the aid of his hand strapped to them for support, and he is to all outward tests and appearances a physical wreck.

The committee approve the bill and recommend its passage, with an amendment reducing the pension to \$50 per month, as follows:

Amend by striking out in line 8 the word "seventy-two" and inserting in lieu thereof the word "fifty."

MOSES PENDERGRASS.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BURTON, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 3513.]

The Committee on Claims, to which was referred the bill (S. 3513) for the relief of Moses Pendergrass, respectfully report:

In September, 1886, the Post-Office Department advertised for proposals for carrying the mails from July 1, 1887, to June 30, 1891, upon different routes in the State of Missouri. Upon one of these, that from Knob Lick, by Libertyville and Avon, to Coffman (No. 28630), the claimant, Moses Pendergrass, submitted a bid. He was unable to read and write, and went to Mr. Rudy, then postmaster at Knob Lick and a justice of the peace, and requested him to fill out the bid. He directed him to write out a bid upon this route at \$400 per year, but by an error in writing the sum was given at \$4 instead of \$400. Numerous bids were filed, ranging in amount from \$699 to \$317. That by Mr. Pendergrass being the least, the contract was awarded to him, and he carried the mails upon it from July 1, 1887, until May 6, 1888.

In the mean time an order was issued by the Post-Office Department increasing the service from three times to six times a week, and for this an allowance was made to the contractor of \$1.71 per annum.

On the discovery of the error there was correspondence between Mr. Pendergrass and the Department, the result of which was that he abandoned his contract in May, 1888. This correspondence, with other matters pertaining to the transaction, is fully set forth in the Senate report, No. 716, filed upon this bill. The equity seems very strong in Mr. Pendergrass's favor. The bill asks that an adjustment of his accounts be made on the basis of the lowest bid, namely, \$317 per annum, and that the total amount paid him shall not exceed \$379.56.

As the amount to be paid him is fixed at the lowest bid and the total amount to be paid is limited we think the rights of the Government are sufficiently guarded, and the committee recommend the passage of the bill.

DANIEL C. RODMAN.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BURTON, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 383.]

The Committee on Claims, to which was referred bill (S. 383) for the relief of Daniel C. Rodman and others, sureties on the bond of Ozias Morgan, having considered the same, respectfully report:

The committee have examined this bill and consider it a meritorious one. The long delay which ensued before the heirs of Rodman were notified, and the peculiar hardship to which his family would now be subjected by a suit, afford strong grounds for the relief asked for.

The facts are fully set forth in a prior report made at the last session of Congress, of which the following is a copy:

The persons named in the bill were sureties on the bond of one Ozias Morgan, given August 9, 1866, for the faithful performance of his duties as a receiver of public moneys and register of the land office at Tallahassee, Fla.

Morgan acted in this capacity from 1866 to 1870, and upon the settlement of his accounts at the expiration of his term, December 31, 1870, a deficit of \$1,942.31 was found.

In 1875 suits were separately instituted against five of the six sureties on Morgan's bond, judgment for the United States was rendered in each case, and execution issued. In one (on a judgment of \$2,000.57) a return was made of \$69.59, and this amount was accepted by the Government and the case against this particular surety compromised. In the other four cases the marshal reported that the defendants were either dead, hopelessly insolvent, or had absconded.

The sixth surety, Daniel C. Rodman, soon after going on the bond, returned to Connecticut several years before the aforesaid suits were instituted and at a time when the other sureties were solvent and in good commercial standing.

Rodman had previously lived in Connecticut, and had gallantly served during the war in one of the regiments of his native State. He returned to Connecticut to accept the position of pension agent, which he filled with that marked integrity that distinguished his whole life. Out of his savings as pension agent he purchased a small piece of property, and at the time of his death, October 9, 1881, his whole estate inventoried about \$6,000.

During the lifetime of Colonel Rodman he received no official notification whatever of his responsibility for the debt outstanding against Morgan. However, in 1886, 20 years after the giving of the bond and 5 years after the death of Rodman, the Government for the first time made a demand upon his estate to pay the deficit. As set forth before, his estate at the time of his death was valued at about \$6,000, and now nothing remains on which to realize except the modest little homestead on which the widow lives, worth perhaps \$2,000 or \$3,000. Her pension of \$30 a month, together with her skill in sewing, enables her to support her mother and an invalid sister.

Considering that the other five sureties were sued separately; that they either compromised their claims, became insolvent, absconded, or have died, and of the futility of the Government's attempts to recover; that Rodman was never sued on this bond, although there was ample time to have done so during his life; and that the matter, either as to Rodman or his estate, has been in abeyance for 20 years, it would be manifest injustice for the Government now to proceed against the poor widow of Rodman.

Judge Durham, the present First Comptroller, appreciating the hardship such proceedings would incur upon an innocent party, recommended the dismissal of the demand (a *suit* never has been instituted) upon the payment of whatever costs that had been incurred in the individual case of Rodman. No costs had been incurred, but upon tender of \$10 by the district attorney of Connecticut under authority of section 3469 of the Revised Statutes, the acting solicitor of the Treasury demands that the costs of *all* the individual suits shall be paid.

On this statement of the case the committee report the bill back favorably with an amendment, and when so amended, recommend that it do pass.

Your committee recommend that the bill pass.



EDWARD L. SHARPE.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4714.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4714) granting a pension to Edward L. Sharpe, submit the following report:

The facts in this case are clearly set forth in the Senate report, and are adopted by your committee.

SENATE REPORT.

The Committee on Pensions, to whom was referred the bill granting a pension to Edward L. Sharpe, have examined the same and report:

The claimant enlisted October 3, 1861, as a private in Company G, Third Regiment of Minnesota Infantry, and was discharged on a surgeon's certificate of disability May 4, 1862. He again enlisted August 7, 1863, and served until June 22, 1866, in Hatch's Independent Battalion of Minnesota Cavalry. On November 22, 1889, he made application for pension, alleging incurrence "of disease of heart near Shepherdsville, Ky., in March, 1862."

The claim was rejected by the Commissioner of Pensions on the ground that the disability for which he claims pension originated prior to his enlistment, as set forth in the surgeon's certificate on which he was discharged.

In support of his claim he files the affidavit of his captain, E. W. Foster, who swears to incurrence of the disability as alleged in the claimant's application, and that he obtained his information from Assistant Surgeon Milliken, who told him that Sharpe had neuralgia or rheumatism of heart, which was brought on from unusual and severe exposure. He swears that he knew him prior to enlistment, and that he was then in perfect health. He also protested against his discharge. Comrade J. H. Hendricks swears that he knew him well for 3 years before the war. He appeared strong and healthy, and never saw anything to indicate any heart trouble.

John Tendo swears he (Sharpe) was in good health when he went into the Army, but complained of heart trouble when he came out. Was a near neighbor, and knew him intimately.

Dr. F. E. Grant swears to treatment for heart trouble. J. P. Harris and John Emmins swear to continuance. The reputation of the several affiants for truth and veracity is fully established. In the opinion of your committee sufficient evidence is submitted to entitle the claimant to a pension, and they therefore recommend the passage of the bill.

MARY VANCE.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4499.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4499) granting a pension to Mary Vance, submit the following report:

The Senate report clearly sets forth the facts in this claim and therefore is adopted as the report of your committee.

SENATE REPORT.

The Committee on Pensions, to whom was referred the bill (S. 4499) granting a pension to Mary Vance, have examined the same and report:

Miss Mary Vance was appointed an army nurse under the authority conferred upon Miss D. L. Dix. On the 5th day of November, 1861, she entered the service and was first stationed at the National Hotel Hospital in Baltimore, Md. She served faithfully during the entire war, and possesses flattering testimonials from Miss Dix and others of her faithfulness and skill in the performance of her arduous duties. She was discharged August 1, 1865, having served 3 years and 10 months.

We recommend the passage of the bill.

JAMES McLAUGHLIN.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4574.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4574) granting an increase of pension to James McLaughlin, submit the following report:

The Senate report clearly sets forth the facts in this case, and is hereby adopted.

SENATE REPORT.

The Committee on Pensions, to whom was referred the bill (S. 4574) granting an increase of pension to James McLaughlin, have examined the same, and report:

The bill proposes to increase the pension of James McLaughlin, late captain of Company I, Tenth Regiment Kansas State Militia, to \$20 per month, in lieu of the pension he is now receiving under an act of Congress approved August 21, 1888.

Accompanying the papers is a petition numerously signed by the leading citizens, business and professional men of Garnett, Kans., in which it is stated that since the passage of the act granting Captain McLaughlin a pension, his disability has very materially increased and his health greatly impaired, and Dr. John A. Henning, in a certificate states—

“That he has carefully examined the claimant; that he is failing rapidly in health, resulting in general disability from his diseases.”

Twenty dollars being the rate usually allowed to persons of same rank, your committee recommend the passage of the bill.

LAURA A. BURNS.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4502.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4502) granting a pension to Laura A. Burns, submit the following report:

The facts in this case are fully and clearly set forth in the Senate report, which is adopted by your committee.

SENATE REPORT.

The Committee on Pensions, to whom was referred the bill granting a pension to Laura A. Burns, have examined the same and report:

The claimant is the widow of Capt. Ross Burns, of Battery A, Second Regiment of Kansas Volunteer Militia. He was enrolled in August, 1863, was ordered into active service October 10, 1864, and was relieved from duty October 30, 1864. His widow made formal application for pension, which was rejected by the Commissioner of Pensions on the ground that the service was rendered in a State organization, and therefore not pensionable under the laws of the United States.

It appears from the evidence presented that Captain Burns, while engaged in the service and line of duty, at the battle of the Big Blue, in the State of Missouri, on the 23d day of October, 1864, was struck over the head with a gun in the hands of a rebel soldier and beaten until senseless, was captured, and considered helplessly injured.

The continuance of the disability is fully shown, and caused his death June 28, 1882.

He was entitled to a pension, and would beyond all question have been placed on the pension rolls had he made application prior to July 4, 1874.

Your committee are fully satisfied of the justness and merit of the claim and recommend the passage of the bill.

SAMUEL WALKER.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4919.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4919) granting an increase of pension to Samuel Walker, submit the following report:

The Senate report clearly sets forth the facts in this case and is adopted by your committee.

SENATE REPORT.

The Committee on Pensions, to whom was referred the bill (S. 4919) granting an increase of pension to Samuel Walker, have examined the same and report:

The claimant is now drawing a pension of \$25 per month for disease of urinary organs. The bill proposes an increase of \$25, or \$50 per month.

Major Walker was commissioned and mustered into the service of the United States as major of the Fifth Regiment of Kansas Volunteer Cavalry May 24, 1862, having previously been in the service in the First Kansas Infantry. He was discharged to accept the lieutenant-colonelcy of the Sixteenth Kansas Cavalry and was mustered to the latter rank October 8, 1864, and continued in the service until December 6, 1865, when he was mustered out.

The evidence submitted shows that he now requires the constant attendance and aid of an attendant both day and night. He suffers also from other disabilities incurred in the Army; but being in receipt of the highest or total rating first grade, he can not compound his disabilities under the law and rulings of the Pension Bureau. Colonel Walker's services in the Army from the very commencement of the war until long after it was declared formally closed were so gallant and conspicuous that he fully deserves the slight recognition proposed in the bill.

Your committee are further informed that he is now lying dangerously sick from his disabilities and may die at any moment. They therefore recommend the passage of the bill.

O

MARY WILKES.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4690.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4690) granting a pension to Mary Wilkes, submit the following report:

The report of the Senate Committee on Pensions is adopted and the passage of the bill recommended.

SENATE REPORT.

The Committee on Pensions, to whom was referred the bill granting a pension to Mary Wilkes, have examined the same and report:

That Charles Wilkes was appointed a midshipman in the U. S. Navy January 1, 1818, and was in continuous service up to 1838, when he was placed in command of a squadron of 6 vessels to explore the Southern Seas; was appointed commander in 1843; promoted to the rank of commodore in 1862, and in 1866 was commissioned as rear-admiral; and after a service of nearly 60 years died February 8, 1877, in the city of Washington. His distinguished services and valuable contributions to science are familiar to American citizens, and were highly appreciated by the Government.

His widow, advanced in years, and heretofore surrounded with many comforts, is left in very moderate circumstances. Her late husband was distinguished not only in the naval conflicts in which he was engaged, but in the several exploring expeditions under his command ordered by the Government, the results of which have been of great importance to the country.

His life was a long, highly honorable, and active one in the naval service of the United States. The Government would be lacking in gratitude to one of the brightest ornaments of its naval service should it refuse to grant the pension prayed for by the claimant to secure her a comfortable living for the few years that may yet remain to her of life.

In view of the eminent services of Rear-Admiral Charles Wilkes, and that spirit of justice that should ever characterize a great and generous nation toward those who were its defenders in the hour of its peril, the committee report favorably, and recommend the passage of the accompanying bill.

F. W. RAWDON.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LANSING, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany H. R. 12514.]

The Committee on Military Affairs, to whom was referred the bill (H. R. 12514) for the relief of F. W. Rawdon, have given the same due consideration and report as follows:

The beneficiary entered the service as a drummer in Company H, One hundred and thirty-fourth New York Volunteers in the war of the rebellion, but he was subsequently dropped from the rolls as a drummer and marked as a servant to Captain Yates, the commander of the company.

That the action of dropping his name from the roll as an enlisted man was unwarranted, erroneous, and unjust is shown by the following correspondence and affidavits:

WAR DEPARTMENT,
Washington City, January 22, 1891.

SIR: In reply to your request of the 21st instant, for information upon House bill 12514, Fifty-first Congress, second session, to provide for the relief of F. W. Rawdon, Company H, One hundred and thirty-fourth New York Volunteers, I have the honor to inclose a report from the officer in charge of the record and pension division of this Department.

Very respectfully,

L. A. GRANT,
Assistant Secretary of War.

Hon. B. M. CUTCHEON,
Chairman Committee on Military Affairs, House of Representatives.

Case of F. W. Rawdon.

The muster roll of Company H, One hundred and thirty-fourth New York Volunteers, from September 22 to October 31, 1862, reports F. W. Rawdon as follows: "Drummer; enrolled at New York September 29, by Capt. A. A. Yates, for 3 years." Roll dated December 31, 1862 (last on which name is borne), reports him absent with remark: "Improperly on last roll; never enlisted or mustered; servant to Captain Yates."

No further record has been found.

The Second Auditor of the Treasury, under date of June 6, 1890, reports that Capt. A. A. Yates, of Company H, One hundred and thirty-fourth New York Volunteers, drew pay for this man as his private servant from September 3, 1862, to June 10, 1863.

It is proper to add that in reply to numerous communications from Mr. Rawdon requesting amendment of the records to show that he did not serve as a servant, and applying for an honorable discharge from the service, he has been informed that it is not within the power of this Department to afford the relief requested.

Respectfully submitted.

F. C. AINSWORTH,
Captain and Assistant Surgeon, U. S. Army.

THE SECRETARY OF WAR.
JANUARY 22, 1891.

In the matter of the petition of F. W. Rawdon, drummer, Company H, One hundred and thirty-fourth New York, for an honorable discharge.

Whereas on the record of Company H, One hundred and thirty-fourth Regiment New York State Volunteers, at the War Department in Washington, D. C., appears the name of F. W. Rawdon as follows:

On the roll for September 22 to October 31, 1862, as drummer, enrolled at New York September 29 by Capt. Austin A. Yates, for 3 years, and on the roll of December 31, 1862, as "Absent—improperly on last roll; never enlisted or mustered; servant to Captain Yates."

SCHENECTADY COUNTY, ss:

F. W. Rawdon, being duly sworn, says that he is the person named, and was a resident of the city of Schenectady, N. Y., in the year 1862.

At the time of the formation of the One hundred and thirty-fourth Regiment New York State Volunteers, in August and September of that year, he joined Company H, Capt. Austin A. Yates, of the said One hundred and thirty-fourth Regiment New York State Volunteers, as drummer. Was with the said Company H while in camp at Schoharie Court-House, New York, and went with the rest of the regiment to New York City, where it was quartered at the Park barracks in the said city of New York. While at the said Park barracks, on or about September 29, 1862, was sworn in as a drummer by a United States Army officer, a stranger to the deponent, in the presence of the said Capt. Austin A. Yates. Had a drum and uniform issued to him, and accompanied the regiment to the front, remaining with it until sent home sick by Captain Yates.

During the time the deponent was with the regiment, he performed the duties of a drummer with Company H, his name being on the muster roll of the company as such, being called at all calls.

Never at any time was in the capacity of servant to the said Capt. Austin A. Yates. When the regiment went forward from Fairfax Court-House, Va., leaving the said Capt. Austin A. Yates sick in the hospital, the deponent accompanied the regiment, remaining with it until its return. It was upon this return of the regiment to Fairfax Court-House, the date being unknown to deponent, that Captain Yates sent him home.

Wherefore your petitioner, F. W. Rawdon, prays that the said record relating thereto may be changed by striking out the following entry, to wit: "Improperly on last roll; never enlisted or mustered; servant to Captain Yates," and that an honorable discharge be granted him.

F. W. RAWDON.

Sworn before me this 13th day of March, 1890. I certify that I have no interest, direct or indirect, in this claim for an honorable discharge.

LOUIS M. KING,
Notary Public.

STATE OF NEW YORK, *Schenectady County*, ss:

On the 15th day of March, 1890, before me, Louis M. King, a notary public, personally appeared Austin A. Yates, to me well known to be a reputable and credible citizen, late member of assembly from this county, who, being by me duly sworn, says that he was captain of Company H, One hundred and thirty-fourth Regiment New York Volunteers, in the year 1862. That he has read the affidavit of F. W. Rawdon, hereto annexed, and knows the contents thereof, and that the same is as narrated there entirely true. That said Rawdon was enlisted as a drummer boy; was never servant to this deponent. That while deponent was sick at hospital in Fairfax Court-House the regiment was ordered with the Eleventh Corps on a reconnaissance to Thoroughfare Gap. That on its return young Rawdon was sent home. Deponent was then himself very ill. The description of Rawdon as a servant to Captain Yates must have been made, deponent thinks, to facilitate sending him home. In any event, the description on the roll is entirely wrong, unauthorized by deponent. If deponent signed any such roll it must have been through inadvertance. Deponent was very low with typhoid fever from the early part of November until December 9, 1862. Deponent remembers that he came to the conclusion that Rawdon was not strong enough, at any rate too ill, to remain in the service, but deponent's mind was not in good condition on the return of the regiment. Deponent declares that he has no interest direct or indirect in this claim for an honorable discharge.

AUSTIN A. YATES.

Sworn before me this 15th of March, 1890. I have no interest direct or indirect in this claim.

LOUIS M. KING,
Notary Public.

STATE OF NEW YORK, *County of Schenectady, Clerk's Office, ss:*

I, James B. Alexander, clerk of the county of Schenectady, and of the courts of record therein, do hereby certify that Louis M. King, esq., before whom the foregoing affidavits were subscribed and sworn, was at the time of taking the same a notary public in and for said county, duly commissioned and qualified as such; and that I am well acquainted with the handwriting of the said notary, and verily believe that the signature to said affidavit and certificate is genuine.

In witness whereof I have hereunto set my hand and affixed the seal of the said county and courts, this 17th day of March, 1890.

J. B. ALEXANDER, *Clerk.*

WAR DEPARTMENT,
Washington City, April 3, 1890.

SIR: Referring to the testimony presented by you in the case of F. W. Rawdon, for an original discharge from Company H, One hundred and thirty-fourth New York Volunteers, I am directed by the Secretary of War to inform you that this man appears on roll of company from September 22 to October 31, 1862, "as drummer, enrolled at New York September 29, 1862, by Captain Yates," and on roll dated December 31, 1862 (last on which borne), as "absent," with remark: "Improperly on last roll, never enlisted or mustered, servant to Captain Yates," and that in view of this positive record, which was made by Captain Yates himself on December 31, 1862, and in the absence of any record of the muster-in of the applicant, there is no law under which a discharge certificate can be issued to him.

Very respectfully,

F. C. AINSWORTH,
Captain and Assistant Surgeon, U. S. Army.

Hon. JOHN SANFORD,
House of Representatives.

TREASURY DEPARTMENT, SECOND AUDITOR'S OFFICE,
Washington, D. C., April 14, 1890.

SIR: Returning the letter of F. C. Ainsworth, captain and assistant surgeon, U. S. Army, regarding the issue of a discharge to F. W. Rawdon as of the One hundred and thirty-fourth New York Volunteers, and complying with your request of this date for an investigation as to whether said Rawdon is noted by Captain Yates on the muster and pay rolls as his servant, I have to advise you that the following appears:

On payment of Company H, One hundred and thirty-fourth New York Volunteers, to October 31, 1862, William Rawdon is noted as servant to Captain Yates. On muster and pay roll of said company to the 28th February, 1863, the name of Fred. William Rawdon appears as servant to Captain Yates; the said name has a line of red ink drawn through it. On muster and pay roll to the 30th April, 1863, the name F. William Rawdon is noted as servant to Captain Yates, and on final payment to said officer, made June 13, 1863, F. William Rawdon is noted as his servant.

Respectfully, yours,

J. N. PATTERSON, *Auditor.*

Hon. JOHN SANFORD,
House of Representatives.

In the matter of the petition of F. W. Rawdon, late of Company H, One hundred and thirty-fourth New York Volunteers, for an honorable discharge.

WASHINGTON HEIGHTS,
New York City, April 27, 1890.

I, W. H. Mickle, now a resident of Washington Heights, New York City, State and county of New York, was first sergeant of Company H, One hundred and thirty-fourth Regiment New York Volunteers, from September 22, 1862, until March, 1863. One of my duties was the daily roll call of company, and I kept a careful record of the names of the men who composed that company.

I have the original book containing those names, which I have examined, and find that F. W. Rawdon was a member of said Company H, One hundred and thirty-fourth New York Volunteers, and that he answered to his name, which was called at "roll call."

On my first list of names of the company Rawdon's name appears like those of the rest of the enlisted men. On my revised and alphabetical list he is designated as drummer. In the company he went by the name of "Willie Rawdon, the drummer boy." He was with us while in camp at Schoharie Court House, N. Y., and at the Park Barracks in New York City, and when we left the barracks for the front accompanied us to Washington, Arlington Heights, Fairfax Court House, Thoroughfare Gap, and Haymarket, returning with us to Fairfax Court House.

It was upon this return of the regiment and company to Fairfax Court House, the latter part of November or first of December, 1862, that the said F. W. Rawdon was taken sick and sent home.

The said F. W. Rawdon was as regularly a member of the said Company H, One hundred and thirty-fourth New York Volunteers, as any man in it, and during the time he was with the company he performed the duties of a drummer, and at no time was he a servant to Capt. Austin A. Yates, in command of the company, or to any other officer, nor did he act in that capacity.

I am in no way, directly or indirectly, interested in this petition for an honorable discharge.

W. H. MICKLE,

Late Captain One hundred and thirty-fourth Regiment New York Volunteers.

Sworn to before me this 29th April, 1890.

P. J. SCULLY,

Notary Public.

STATE OF NEW YORK, *City and County of New York, ss:*

I, Edward F. Reilly, clerk of the city and county of New York, and also clerk of the supreme court for the said city and county, the same being a court of record, do hereby certify that P. J. Scully, before whom the annexed deposition was taken, was at the time of taking the same a notary public of New York, dwelling in said city and county, duly appointed and sworn and authorized to administer oaths to be used in any court in the said State and for general purposes; that I am well acquainted with the handwriting of said notary and that his signature thereto is genuine, as I verily believe.

In testimony whereof I have hereunto set my hand and affixed the seal of the said court and county the 30th day of April, 1890.

EDWARD F. REILLY, *Clerk.*

I, Jacob Brandenstein, at present a resident of Amsterdam, Montgomery County, State of New York, at the time of the formation of the One hundred and thirty-fourth Regiment New York Volunteers, in August and September, 1862, enlisted at Schoharie, N. Y., in Company G, Capt. Henry Cook, of that regiment.

During the formation of the regiment it was encamped at Schoharie Court House, N. Y. While at this camp there was a boy named F. W. Rawdon, a member of Company H, Capt. Austin A. Yates, of the said One hundred and thirty-fourth Regiment, and went with it to New York. When the regiment went to Washington and the front, on or about September 29, 1862, the said F. W. Rawdon went with Company H as drummer. During the time he was with the company he performed the duties of a drummer, and was not at any time a servant, or acted in such capacity to Captain Yates or to any other officer.

I am not in any way, directly or indirectly, interested in this petition for an honorable discharge.

JACOB BRANDENSTEIN.

Sworn to before me April 26, 1890.

L. A. SERVISS,

Notary Public in and for Montgomery County, New York.

I hereby certify that I am not interested, directly or indirectly, in the result of this proceeding.

L. A. SERVISS.

In view of the facts above set forth your committee, as an act of justice to the beneficiary, respectfully recommend the passage of the bill.

THOMAS H. CARPENTER.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LANSING, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany S. 2080.]

The Committee on Military Affairs, to whom was referred Senate bill 2080, having had the same under consideration, do respectfully report:

Your committee adopt the report of the Senate, and recommend the passage of the bill.



JOHN BROWNLEE.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. DE LANO, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13204.]

The Committee on Pensions, to whom was referred the bill (H. R. 13204) granting a pension to John Brownlee, have considered the same and report :

The claimant appears on the rolls of the First Oregon Mounted Volunteers as follows:

As a private from October 23, 1855, to May 15, 1856, in Capt. Davis Layton's company (H) and as a private in Capt. William G. Haley's company (C) from May 15, 1856, to August 14, 1856.

The claimant swears that he participated in all the battles and skirmishes that his command was engaged in during the above-named time, and that from exposure he contracted rheumatism, from which he has suffered ever since to such an extent that he is now disabled for the performance of all manual labor; that he can do nothing towards earning a support, and he has nothing else to depend upon for a living. He further states that he lost a horse worth \$300 at the battle of Walla Walla, for which he has never been paid.

Mr. Brownlee resides at Knoxville, Marion County, Iowa. Dr. N. R. Cornell, of Knoxville, Iowa, testifies to having had the claimant under his care and treatment for the past 23 years and that during that time he has been a sufferer from rheumatism and disease of heart, and that he is now unable to support himself by manual labor because of said diseases.

Dr. W. E. Wright also testifies to the existence of the above-named diseases in the claimant's case and to the applicant's inability to support himself.

There is no general pension law to cover Mr. Brownlee's case but there are numerous precedents for the allowance of pensions by special act to the survivors of the old Indian wars.

Your committee therefore return the bill with the recommendation that it do pass with an amendment to fix the rate of pension at \$12 per month.

EMILY H. WORTHEN.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. NUTE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 5055.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 5055) granting a pension to Emily H. Worthen, submit the following report:

The facts in the case are set forth in the report of the Senate Committee on Pensions, as follows:

The Committee on Pensions, to whom was referred the bill (S. 5055) granting a pension to Emily H. Worthen, have examined the same and report:

The claimant married the soldier, McMaster, in 1855. He enlisted as a private in 1861, was promoted to sergeant; killed at the battle of Bull Run in 1862.

The widow remarried in 1863 to Worthen, who died in 1875, since when she has been obliged to support herself. She is now living with a widowed daughter, the soldier's child, upon whom she is now dependent, owing to her poor health and enfeebled condition. The daughter is without property to support them except what is gained by manual labor. These facts are fully set forth in the petition and evidence accompanying the case.

The bill is therefore reported favorably and its passage recommended.

Your committee return the bill with a like recommendation.



GEORGE H. BLODGETT.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. NUTE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 4626.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 4626) granting an increase of pension to George H. Blodgett, submit the following report:

The facts in the case appear in the report of the Senate Committee on Pensions, which is as follows:

The Committee on Pensions, to whom was referred the bill (S. 4626) granting an increase of pension to George H. Blodgett, have examined the same and report:

This is a bill to increase the pension of George H. Blodgett, who was a member of Company M, First Regiment Maine Heavy Artillery, from \$3 per month, the pension he is now receiving, to \$16 a month. In his petition to Congress asking for this relief he makes the following statement:

"Your petitioner, George H. Blodgett, whose post-office address is Bowdoinham, in the county of Sagadahoc and State of Maine, respectfully represents that he is a pensioner of the United States under original invalid pension certificate No. 252096, at the rate of \$3 per month, for 'effects of chronic diarrhea, and injury to both ankles.' He also has a claim filed for increase and additional pension for malarial poisoning and results, but he is unable to furnish proof in his claim by reason of his comrades being dead or whereabouts unknown, and he is unable to find them after diligent search and inquiry. He has been debarred from a just and proper rating by reason of inability to furnish proof by reason above stated. He respectfully submits that he served from January 5, 1864, to July 5, 1865, in Company M of the First Regiment Maine Heavy Artillery.

"The active service of this regiment began at the Wilderness, May, 1864, with 2,202 men on the rolls. At Fredericksburgh Pike, its first fight, lost 147 killed, 229 wounded, or 476 in all, about one-fifth part. June 18, 1864, it had been reduced by losses to 900 men. It went into a charge on the enemy's works with their 900, and had 632 killed and wounded. Up to Lee's surrender it had lost 50 more in killed, and up to muster-out had lost of its 2,202 men at the beginning a total of 1,543, or more than 70 per cent. In the whole of these battles and this service, from beginning to Lee's surrender, he was with his command and shared every hardship, exposure, and labor. After Lee's surrender, he being completely used up, both ankles sprained the 6th of April in jumping a ditch; with chills and fever and diarrhea contracted by the hardships of exposure; excessive marching, poor water, inclemency of weather, and insufficient food, he was sent by railroad to City Point Hospital, and afterward to Washington, D. C., to hospital, from whence he was discharged.

"Since leaving the service he has lost sight of one eye by accident, and the sight of the other is considerably impaired. His ankles trouble him a good deal, and he has attacks of malaria, and resulting diseases which greatly impair his health and capacity for earning his living. He therefore respectfully petitions that his present meager allowance for pension be substituted by a special act granting him such increased rate as shall be right and just, and in proportion to that drawn by others for similar and equivalent disabilities.

"GEORGE H. BLODGETT."

This statement is corroborated by William S. Aderton, who makes the following declaration under oath:

"On the date hereinafter mentioned personally appeared before me, a justice of the peace for Sagadahoc County, Me., William S. Aderton, aged 52, a resident of Bowdoinham, Me., who, being duly sworn according to law, declares that he has been well acquainted with and had personal knowledge of George H. Blodgett, applicant, since before the war of the rebellion.

"That he was then a sound, well person; that he was greatly reduced and disabled on his return after discharge by reason of lameness in both ankles, chronic diarrhea, and effects of malaria, and had frequent attacks of chills and fever; that he has known him intimately since and up to date; that he has never, in his opinion, recovered, only partially, from these diseases and injuries mentioned; that he has from time to time had attacks of chills up to present, and has at times been totally incapacitated, by reason of the above troubles, from manual labor.

"Should say his disabilities, including loss of eyesight of one eye and weakness of the other, disqualify him from most kinds of manual labor. Loss of sight of his eye was caused by a blow from piece of bone he was breaking up for hens, and occurred some 4 years ago. He further states that he has no interest in the claim for pension."

In the opinion of the committee, \$16 a month is a low rating, even for the disabilities which he incurred in the service. The bill is therefore reported favorably with a recommendation that it do pass.

Your committee likewise recommend the passage of the bill.



ANN E. TEW.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. NUTE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 1239.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 1239) granting a pension to Ann E. Tew, respectfully report:

Ann E. Tew is the widow of George W. Tew, who died on the 8th of November, 1884, of disease which his attending physician, Dr. Henry E. Turner, late acting assistant surgeon, U. S. Army, certified was incurred while in the military service of the United States.

George W. Tew entered the service in April, 1861, as captain Company E, First Rhode Island Regiment, and was subsequently major of the Fourth Rhode Island Volunteers, and lieutenant-colonel and colonel of the Fifth Rhode Island Heavy Artillery. He was twice promoted for gallant and meritorious conduct in battle, and received the brevet rank of brigadier-general of volunteers.

The widow's claim for pension was rejected by the Pension Office because the cause of the death, dyspepsia, was not clearly traceable to disease contracted in the service.

It appears, however, from the records and the evidence on file that Colonel Tew during his military service of several years in the field suffered from malarial fever, diarrhea, and an attack of varioloid. Dr. J. B. Greene, the assistant surgeon of the Fifth Regiment Rhode Island Volunteers, testifies that he treated Colonel Tew during his service for malarial fever and diarrhea.

At the time he entered the military service Colonel Tew was a strong, able-bodied man; but upon his return home his physical health was greatly broken, and he subsequently continued to suffer from various disabilities, including malaria, diarrhea, disordered digestion, and rheumatic difficulties.

His acquaintances testify that during those years he exhibited evidence of marked weakness and debility.

Dr. Henry E. Turner, above mentioned, testifies that he knew Colonel Tew

from his childhood; that he entered the Army in perfect physical condition; that from his retirement at the close of the war his health was seriously impaired and continued to decline until his decease. His disease originated in defective digestion and culminated in complete inanition and collapse. It is my opinion that his disease was incurred while in the service.

Dr. N. R. Chace testifies that in 1868 Colonel Tew "was showing a breaking down in body and spirits;" that in 1884 his condition was "a

gradual subsidence of his vital powers," and that he considered "this condition was the culmination of 18 years of disability, and it ended in his death."

The death of Colonel Tew left his widow poor and dependent. She is now of advanced years, having been married to Colonel Tew in 1852, and in great need of assistance from the Government which her husband aided to preserve.

Without attempting to draw the scientific relation between the diseases and disabilities contracted in his army service and those which resulted in his death, it seems to your committee that it is satisfactorily established that by reason of his service a strong, vigorous health was undermined and destroyed by the hardships and privations which Colonel Tew endured, and therefore that his death at a comparatively early age was due to his service.

A memorial of leading citizens of Newport, R. I., where Colonel Tew lived and died, has been presented urging favorable action.

Your committee recommend the passage of the bill.

○

SUSAN G. FURNALD.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. NUTE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany S. 5022.]

The Committee on Invalid Pensions, to whom was referred the bill (S. 5022) granting a pension to Susan G. Furnald, submit the following report:

The facts in the case are set forth in the report of the Senate Committee on Pensions, which is as follows:

The Committee on Pensions, to whom was referred the bill (S. 5022) granting a pension to Susan G. Furnald, have examined the same and report:

"The need of a special act in this case is due to the fact that the soldier left a widow surviving, in whom, under the pension laws, the title to pension vested. The Department holds, and correctly, doubtless, that the death of the widow did not allow this title to revert to the mother.

"In view of the facts of the case, fully set forth in the accompanying affidavits and letters, the bill is reported favorably by your committee, and its passage recommended."

MANCHESTER, N. H., *February 2, 1891.*

DEAR SIR: I take the liberty of sending you the inclosed petition of Mrs. Susan G. Furnald, dependent mother of James G. Furnald, who was a pensioner in his lifetime. Mrs. Furnald is 70 years old, is feeble in health, destitute of means, and is being supported at the Women's Aid Hospital in this city. It seems that her son, the soldier, married, though he lived but a short time after his said marriage, and his wife deserted him in his last sickness.

After his death his wife again married, and she died about 10 years ago in Goffstown. Because this wife survived the soldier husband the Pension Office authorities have rejected the mother's claim, and this is, doubtless, according to the strict letter of the law, though its application seems very unjust in Mrs. Furnald's case. Mrs. Aretas Blood was one of the witnesses to her application, and takes an interest in the success of her case. I think you will find the evidence complete in every particular, and if there ever was a meritorious case this seems to be that one. Her son contributed to her support when alive, and she took care of him in his last sickness and death.

There is no widow or minor children who can draw pension on his service, and it does seem as though the old lady should be entitled in the true intent and spirit of the law. If it is possible her case should pass both branches of Congress before adjournment in March. You will find some familiar names connected with the evidence, and they could be multiplied if necessary. For further light, reference may be had to her rejected claim under act of June 27, 1890, No. 171806. If it is not asking too much, may I hear from you with reference to her petition? Any amount of evidence can be furnished if anything further is needed.

Very respectfully, your obedient servant,

D. L. PERKINS,
Attorney at Law.

Hon. H. W. BLAIR,
United States Senate Chamber, Washington, D. C.

To the honorable the Senate and the House of Representatives of the United States of America in Congress assembled :

Your petitioner, Susan G. Fernald, whose post-office address is Woman's Aid Hospital, Manchester, in the county of Hillsborough and State of New Hampshire, respectfully represents that she is the dependent mother of James G. Fernald, late of Company A, Third New Hampshire Volunteers, and then of Company 168, Second Battalion Veteran Reserve Corps, who died a pensioner in Manchester aforesaid, December 24, 1868; that your petitioner is without means of support, is unable to perform manual labor (being 70 years of age), is feeble in health, and is being cared for at said hospital by those who are not legally bound to her support; that her said son, the soldier, contributed to her support in his lifetime; that about 14 months prior to his death he married a woman who abandoned him in his last sickness, and who survived him, who afterwards remarried, and died 10 years ago, leaving no children by the said James G. Fernald; that believing it to be the true intent and meaning of the pension law of June 27, 1890, to grant relief in cases like hers, your petitioner, on the 17th day of July, 1890, executed her claim for pension under said act, which was forwarded to the Pension Bureau in Washington, and is numbered 171806, and that her said claim has been rejected on the ground that the said soldier left a widow him surviving, though said widow has been dead these many years, and she annexes to this petition sundry copies of affidavits submitted in her said case, and other documents. Wherefore she prays that your honorable bodies will grant her special relief by act of Congress, so that her name may be placed on the pension roll of the United States at the rate of \$12 per month from the date of her said application, viz, July 17, 1890.

SUSAN G. FURNALD.

Witness:

D. L. PERKINS.

MANCHESTER, N. H., *February 2, 1891.*

DEPARTMENT OF THE INTERIOR, BUREAU OF PENSIONS,
Washington, D. C., December 30, 1890.

SIR: In reply to your letter of recent date, relative to the claim (No. 171806) of Susan G. Fernald, as mother of James G. Fernald, late of Company A, Third New Hampshire Volunteer Infantry, I have to state that the facts set forth in your letter appear in evidence in said claim and have been considered.

The fact that the above-named soldier left a widow bars the claim of his mother, and the death of said widow has no bearing on this claim.

Very respectfully,

GREEN B. RAUM,
Commissioner.

DAVID L. PERKINS,
Manchester, N. H.

DEPARTMENT OF THE INTERIOR, BUREAU OF PENSIONS,
Washington, D. C. January 30, 1891.

SIR: The claim for pension No. 491310 of Susan G. Fernald, as mother of James G. Fernald, late of Company A, Third New Hampshire Volunteers, was rejected November 18, 1890, for the reason that the soldier left a widow surviving him in whom title to pension on his account vested.

There is no law by which title to pension can revert from a widow to a dependent parent.

Very respectfully,

GREEN B. RAUM,
Commissioner.

DAVID L. PERKINS, Esq.,
Manchester, N. H.

To whom it may concern :

This is to certify that I was acquainted with James G. Fernald during his lifetime and knew of his sickness and death and attended his funeral and burial in the capacity of director, and I have been acquainted with Susan G. Fernald, mother of the said James G. Fernald, for many years before as well as after the death of the

said James G. Fernald and up to the present time, and know that she is dependent upon someone for her support, being unable, by reason of sickness and age, to earn her own livelihood.

ALFRED G. FAIRBANKS,
Ex-County Commissioner.

HILLSBOROUGH, ss :

Personally appeared the above-named Alfred G. Fairbanks and made oath that the above affidavit by him subscribed is true.

ALEXANDER M. CORNING,
Justice of the Peace.

MANCHESTER, November 15, 1890.

STATE OF NEW HAMPSHIRE, *Hillsborough, ss :*

I, John C. Bickford, clerk of the police court of the city of Manchester, hereby certify that said court is a court of record in and for said county and State, and that David L. Perkins, whose name is written on the margin hereof, is a justice of the peace for said State, duly commissioned and sworn according to law, and that all his official acts as such are entitled to full faith and credit, and that his signature to the same is genuine.

In witness whereof I have hereunto set my hand and affixed the seal of said court this 2d day of February, A. D. 1891.

[SEAL.]

JOHN C. BICKFORD,
Clerk of Police Court, City of Manchester.

(On the margin :) DAVID L. PERKINS.

Copies of the affidavit of Charles A. Smith and Emma M. Knight, both of Manchester, N. H., made December 20, 1890, and duly executed in the pension claim of Susan G. Fernald, dependent mother of James G. Fernald.

Mr. Charles A. Smith aforesaid deposes and says:

"I am a brother of the late Sarah A. Fernald. Her maiden name was Sarah A. Smith. She married Mr. Woodbury Gerry, and after his death she married James G. Fernald, the soldier. Mr. Fernald did not live very long after this marriage. Some years after her second husband's death she again married a man by the name of Charles F. Miller. She died about 10 years ago, and left no children by either of her three husbands. I attended her funeral in this city. I was also present at the funeral of James G. Fernald, her second husband, and I know the above statements to be true of my own personal knowledge."

Mrs. Emma M. Knight deposed and said:

"I am sister to the above-named Sarah A. Fernald. Her name was Gerry when she married the soldier James G. Fernald. He did not live long after this marriage. I was present at their marriage, and was also present at his funeral. She afterwards married Charles F. Miller. She died in Goffstown, N. H., in July, 1880, and I attended her funeral in this city. She left no children by either one of her three husbands. I have been acquainted with Mrs. Susan G. Fernald, the claimant in this case, for over 20 years, and can say that she is a worthy and deserving woman. I know the above statements to be true of my own personal knowledge."

CHARLES A. SMITH.
Mrs. EMMA M. KNIGHT.

The above was sworn to before John C. Bickford, clerk of the police court of the city of Manchester, and the foregoing is a true copy of the affidavits aforesaid, filed with the other papers in support of the pension claim of the said Susan G. Fernald, No. 171806.

DAVID L. PERKINS,
Justice of the Peace.

Copy of an affidavit of David O. Fernald, of Manchester, N. H., filed with the claim of Susan G. Fernald, executed November 24, 1890.

I knew James G. Fernald, the soldier and son of True O. and Susan G. Fernald, who is the claimant in this case, since his birth. Knew of his being in the Army; also of his death in this city.

I attended his funeral. His mother, Susan G. Fernald, is wholly dependent, and by reason of sickness and age is unable to earn her livelihood and is being taken care

of at the "Woman's Aid Hospital" in this city. Her husband is also old and infirm, over 70 years old; is without means, and is unable to support his wife or himself. I know that James G. Fernald was the son of Mrs. Susan G., the claimant in this case, and that said James G. is the identical person who rendered the service on which her claim is based. There is no other person than her husband legally bound for her support and he is without means.

DAVID O. FURNALD.

A true copy.
Attest:

DAVID L. PERKINS,
Justice of the Peace.

Copy of affidavit in the case of Susan G. Fernald, by Charles Gerrish, of St. Charles, Minn.

That he knows Susan Gerrish Fernald, whose maiden name was Susan Gerrish. That he has known her all his life. That she is his sister. That she was married in his presence to True O. Fernald, on or about the 3d day of February. A. D. 1841, by the Rev. Wm. Patrick, at Canterbury, in the State of New Hampshire. That James G. Fernald was her son by said marriage.

CHARLES GERRISH.

Executed by E. Hill, notary public.
A true copy.
Attest:

D. L. PERKINS,
Justice of the Peace.

Copy of affidavit filed with the pension claim of Susan G. Fernald, No. 171806, act June 27, 1890, given by Judeth G. Coffin.

I know of the marriage of True O. Fernald and his wife, Susan G. Fernald. I was present at their marriage. The said Susan G. Fernald is my sister. They were married February 3, 1841. I also was knowing to the birth of the above named James G. Fernald; he was born March 4, 1843. All the above facts are within my certain knowledge. They were married at Canterbury, N. H., by Rev. William Patrick. The said James G. Fernald died December 24, 1868.

JUDETH G. COFFIN.

A true copy.
Attest:

DAVID L. PERKINS,
Justice of the Peace.

Your committee likewise report favorably on the bill and ask that it do pass.

STEAMSHIP SALAMANCA.

FEBRUARY 20, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. BINGHAM, from the Committee on Merchant Marine and Fisheries, submitted the following

REPORT:

[To accompany H. R. 12266.]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H. R. 12266) to provide an American register for the steamship *Salamanca*, have considered the same and report as follows:

The steamship *Salamanca* was built by J. and G. Thompson, of Sunderland, England, in 1882, and has a tonnage of 883 tons net register, and was owned originally by Arthur Schofield.

She was wrecked off the coast of Florida, opposite Fernandina, outside of American waters, during the month of October, 1890, and was purchased by Mr. James McCaldin, a citizen of the United States and resident of the city of New York, for and on account of the American Shipping and Transportation Company, for the sum of \$44,000.

The American Shipping and Transportation Company are repairing said steamship at the port of New York, having entered into a contract with Messrs. Donald McNeil & Co., of Brooklyn, N. Y., to make the same, for which the said American Shipping and Transportation Company have obligated themselves to pay the sum of \$37,300.

The specifications for repairs to said steamship, together with the contract to complete the same in accordance therewith in 30 days, have been submitted to your committee, verified by affidavits and properly attested before a notary public.

The American Shipping and Transportation Company, composed of American citizens, also desire that her name be changed to that of *South Oxford*, which is provided for in the first section of the bill.

The amount of repairs being in excess of three-fourths of her value when repaired, your committee, under these circumstances, recommend that the bill be passed.

BRIG. GEN. THOMAS L. CASEY.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. ROCKWELL, from the Committee on Foreign Affairs, submitted the following

REPORT:

[To accompany H. Res. 280.]

The Committee on Foreign Affairs, to whom was referred the joint resolution (H. Res. 280) authorizing Brig. Gen. Thomas L. Casey, Chief of Engineers, U. S. Army, to accept from the President of the French Republic a diploma conferring the Legion of Honor, having had the same under consideration, respectfully report:

General Casey is at the head of the Corps of Engineers of the U. S. Army, and is widely and favorably known throughout Europe on account of his brilliant service to this Government in successfully constructing many of our most important public works.

The French Government, in pursuance of its liberal policy of recognizing achievements in science, art, invention, in all that contributes to the welfare of the human race—among not only Frenchmen, but foreigners—inscribed his name in the Legion of Honor, and the diploma of the order was bestowed upon him. But he is an officer in our Army and can not lawfully accept it.

The resolution permits him to receive this recognition by a foreign nation of his individual character and services to mankind. The Legion of Honor is an order of merit, originally instituted by the French Republic, after abolishing orders of nobility, and founded upon republican principles, recognizing the absolute equality of man without regard to birth, fortune, race, or occupation.

Your committee recommend the adoption of the resolution.

CAPT. WILLIAM M. LYNE.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. OSBORNE, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany H. R. 7239.]

The Committee on Military Affairs, to whom was referred the bill (H. R. 7239) to correct the record of, and grant an honorable discharge to, Capt. William M. Lyne, having considered the same, report thereon as follows:

Captain Lyne was dismissed the service by order of the Secretary of War in February, 1863, for disobedience of orders. He received orders from the provost-marshal of the District of Columbia to report to the commander of the convalescent camp, Virginia. Meeting the major of his regiment on his way to report, he was invited to proceed with such major and join his own command, which he did. On arriving at the front he reported his doings to such commander at the convalescent camp, in writing.

His failure to report in person to such convalescent camp was made the subject of investigation by the military commission then sitting at the city of Washington, but which commission made no recommendation, but on the request of the provost-marshal, Captain Lyne, was peremptorily dismissed in spite of the finding of such board.

Your committee believe that the punishment was disproportioned to the offense. He was serving his country gallantly in the face of the enemy when the order came for his dismissal.

The facts are fully set forth in the report of the Secretary of War, and in petitions and affidavits hereto appended for the information of the House.

Your committee recommend the passage of the bill.

Case of William Lyne, late of Fifty-ninth New York Volunteers.

The records show that William Lyne was mustered into service as first lieutenant Company H, Fifty-ninth New York Volunteers, and as a captain Company E, same regiment, to date May 1, 1862.

Rolls from muster-in to July and August, 1862, report him present; September and October, 1862, absent with leave since October 17, 1862; November and December, 1862, absent with leave on surgeon's certificate since October, 1862; January and February, 1863, present.

It appears that he was granted leave of absence on surgeon's certificate of disability, and upon the expiration thereof received the following order:

HEADQUARTERS MILITARY DISTRICT OF WASHINGTON,
Washington, D. C., February 7, 1863.

Captain Lyne, Company E, Fifty-ninth New York Volunteers, will report forthwith to Lieutenant-Colonel McKelvey, commanding Convalescent Camp over Long Bridge, Virginia, for duty.

Guards will pass.

By command of Brigadier-General Martindale.

HENRY C. LOCKWOOD,
Captain and Aide-de-Camp.

But instead of complying therewith, he went direct to the camp of his regiment, from whence he reported by letter to Lieutenant-Colonel McKelvey as follows:

CAMP OF FIFTY-NINTH NEW YORK VOLUNTEERS,
Near Falmouth, Va., February 10, 1863.

COLONEL: I would respectfully report myself to you from the camp of my regiment, which I was very anxious to arrive at. Hoping you will overlook my error in not reporting to you in person for the above reasons,

Very respectfully,

WM. LYNE,
Captain Company E, Fifty-ninth New York Volunteers.

This was referred by Lieutenant-Colonel McKelvey to John P. Sherburne, A. A. G., acting military governor of District of Washington, who, under date of February 16, 1863, recommended that Captain Lyne "be ordered to report to the President of the military commission now in session in this city."

He appeared before the military commission, and the said commission, under date of February 19, 1863, reported his case without recommendation, whereupon he was dismissed the service in orders of which the following is a copy:

WAR DEPARTMENT, ADJUTANT-GENERAL'S OFFICE,
Washington, March 3, 1863.

SPECIAL ORDERS }
No. 101. }

[Extract.]

12. The following officers (published officially February 10, 1863), having failed to make satisfactory defense before the military commission instituted by Special Orders No. 53, current series, from the War Department, as to the charges against them, and now set opposite their respective names, stand dismissed the service of the United States to date February 10, 1863, viz:

Capt. William Lyne, Fifty-ninth New York Volunteers.
Failing to report at Convalescent Camp, as ordered.

By order of the Secretary of War:

L. THOMAS,
Adjutant-General.

Respectfully submitted.

F. C. AINSWORTH,
Captain and Assistant Surgeon, U. S. A.

RECORD AND PENSION DIVISION, March 12, 1890.

The SECRETARY OF WAR.

CITY AND COUNTY OF NEW YORK, State of New York, ss:

Before me, a notary public in and for the county and State aforesaid, personally appeared William Linn Tidball, who being by me first duly sworn, deposes and says as follows, to wit:

I reside in the city of New York, and my post-office address is No. 316 West Fifty-ninth street in said city.

I know William Lyne, of Fort Wayne, Indiana, and have known him for thirty years and upwards, and during that period have had many opportunities to know and understand his character and disposition.

In the year 1861 I organized and took into the service of the United States the Fifty-ninth New York Vol. Infantry, and commanded said regiment, or the brigade to which it was attached, until January of the year 1863.

During that period the said Lyne was an officer of said regiment, at one time first lieutenant of Company H, at another time adjutant of the regiment, and at another time captain of Company E.

The said Lyne, in each of these positions, and in every other which devolved upon him as an officer while under my command, acquitted himself with ability and fidelity, and deported himself on all occasions in a manner becoming an officer and a gentleman.

In July, 1862, the said Lyne, while in command of said Company E, and in the line of duty at Harrison's Landing, in Virginia, was obliged, as was the entire regiment, to lie on the ground, recently drenched with rain and still soaking wet, without shelter of any kind, and thereby contracted a severe cold, which in his case assumed the form of diarrhœa, from the effects of which he was prostrated for a time and rendered unfit for active service.

In the month of August, 1862, the said Lyne, though still suffering from diarrhœa, joined an expedition against the enemy, in the direction of Richmond and as far as Malvern Hill, covering a period of three or four days and nights, during which the troops of the expedition were in light marching orders and obliged to bivouac in the open fields, the said Lyne included.

On the retreat of our Army from Harrison's Landing and in the march through Maryland, the said Lyne, though still suffering from diarrhea, was in command of his company, and remained at his post of duty and participated in the battle of Antietam, acquitting himself with credit on each occasion and in every capacity.

After the battle of Antietam the said Lyne, being unfit for other duty, was detailed to superintend the collection and burial of our dead on the battlefield, and during that time, having no adequate shelter, was exposed to the hot sun and heavy dews of that locality, and by reason of such exposure was in even a worse condition when he rejoined the regiment.

After his return to the regiment the said Lyne continued to suffer from said disease, notwithstanding the medical treatment he received, and to grow worse instead of better, until he was again unable to perform the ordinary duties of a company commandant, when he was detailed to go to New York and receive the quota of recruits to which said regiment was entitled from the draft then in progress or contemplation.

Before the return of said Lyne to said regiment, by reason of ill health and on the advice of my regimental surgeons, I had retired from the command of said regiment, resigned my commission and returned to my home, and in consequence of my absence I have no personal knowledge of the incidents which occurred thereafter in the service affecting the said Lyne after his return to the said regiment.

My long personal acquaintance with the said Lyne, my knowledge of his reputation and character before he entered the Army, and my intimate knowledge of him and his conduct while in the service justifies me, I think, in expressing the opinion that the said Lyne never disobeyed an order with intent to inflict an injury, shirk a duty, or avoid a responsibility; that his disobedience of the order for which he was court-martialed was the result of a misconception of its import and consequences, and that in proceeding directly to his regiment, to which he was ultimately bound, he thought his action would be approved.

I honestly believe that the said Lyne is incapable knowingly of any dishonorable action whatever which might by any possibility reflect upon his credit as an officer or a gentleman.

I have no interest in the removal of the disability above mentioned, except that of seeing justice done to a worthy individual.

WM. LINN TIDBALL.

Subscribed and sworn to before me, on this fifth day of June, in the year of our Lord one thousand eight hundred and eighty-nine; and I hereby certify that I am personally acquainted with the said affiant; that he is the person he represents himself to be; that he is a man of good character and standing, and that his statements are entitled to full credit and belief; and further, that I have no interest whatever in the result of this application.

[SEAL.]

GEO. W. M. LEANARD,
Notary Public, City and County, New York.

State of New York, City and County of New York, ss :

I, Edward F. Reilly, clerk of the city and county of New York, and also clerk of the supreme court for the said city and county, the same being a court of record, do hereby certify that Geo. W. M. Leanard, before whom the annexed deposition was taken, was, at the time of taking the same, a notary public of New York, dwelling in said city and county, duly appointed and sworn, and authorized to administer oaths to be used in any court in said State, and for general purposes; that I am well acquainted with the handwriting of said notary, and that his signature thereto is genuine, as I verily believe.

In testimony whereof I have hereunto set my hand and affixed the seal of the said court and county, the 7 day of June, 1889.

EDWARD F. REILLY.

DECLARATION FOR REMOVAL OF SENTENCE OF COURT-MARTIAL.

[NOTE.—Wherever expression court-martial occurs in this declaration it should read military commission.]

STATE OF INDIANA, *Allen County*, ss :

On this 28th day of May, 1889, personally appeared before me, George W. Lang, clerk of the Allen circuit court, a court of record, within and for the county and State aforesaid, William Lyne, aged 69 years, a resident of Fort Wayne, in the county of Allen and State of Indiana, who, being duly sworn according to law, declares that he is the identical William Lyne, who enlisted in the service of the United States at Bellville, Richland County, State of Ohio, on the 1st day of September, 1861, as a private with Captain Miller Moody, who reported to Colonel William Linn Tidball at the city of New York, and on October 12th, 1861, was mustered into the service of the United States for three years, in Co. "H," 59th Regt. New York Vols. Inftry. And was appointed 1st Lieut. December 24th, 1861, with rank from October 12th, 1861, and who was mustered Capt. and assigned to Co. "E," same regiment, April 19th, 1862, with rank April 16th, 1862. Who was "dismissed the service" March 3d, 1863, for "disobedience of orders" in "failing to report at convalescent camp as ordered."

That he asks for a "review of his case" and the proceedings of the court-martial in order that the sentence of said court may be revoked and he receive an "honorable discharge" from the service of the United States; for the following reasons, to wit:

On or about October 22nd, 1862, he was on detached duty, and was sent to New York to take charge of the quota of drafted men of the 59th Regiment. That some time previous to this time, viz, from July 5th, 1862, he had suffered from diarrhea, and that while on this service at New York he was taken with a very violent attack of the disease. He reported to Dr. Mott, jr., then examining surgeon at White Street, New York, who granted him a leave of absence for thirty days. Upon his return home to Bellville, Ohio, he suffered severely from diarrhea, and was treated therefor by Dr. N. D. Whitcomb, who is now dead. He continued to suffer from this complaint, and it was not until about February 20th, 1863, he had so far recovered as to be able to return to Washington, in order to rejoin his regiment then at the front. Upon reporting to the provost-marshal's office at Washington he was directed to report to the convalescent camp. He proceeded to obey, and on the way thither he met Major Thoman, of his regiment, who was then on his way to the front, who asked him to go with him to the regiment without the provost-marshal's pass (he having started from home with the intention of returning to his regiment as speedily as possible); he embraced the opportunity offered and returned to his regiment, then at the front. He does not remember the date of his return, but it can be had from the regimental morning reports. Soon thereafter he was cited before the court-martial, and dismissed as above set forth.

In extenuation of this, he has to say on his oath that he had no desire to be confined in convalescent camp, but was anxious, perhaps over anxious, to return to active duty with his regiment at the front. It was at most a technical disobedience of orders, and occurred through a misconception of duty. No injury resulted to the service from his conduct. No attempt was made to shirk duty. He was more anxious to fight for his country than to be confined in inactivity in the rear.

He therefore asks for a review of his case and the findings of the court-martial, and if his case is deemed meritorious that the sentence of the court be revoked, and that he be granted an honorable discharge to date March 3, 1863, in order that this stain be removed from his name and record, under which he has rested for now over 26 years.

He further declares that he has not been employed in the military or naval service of the United States otherwise than as above stated, excepting as colonel of Second Regiment Ohio National Guards, which never was mustered into the United States service.

He also declares that he has not, in any manner, been engaged in or aided or abetted the rebellion in the United States, and he hereby appoints N. C. Miller his attorney, and authorizes him to present and prosecute this claim, and to do any and all acts necessary to effect the purpose of said appointment, with full power of substitution and revocation.

WILLIAM LYNE.

Witnesses:

JACOB W. CLARK,
WM. T. ABBOTT.

Also, at the same time, personally appeared before me Jacob W. Clark and William T. Abbott, of Fort Wayne, Allen County, State of Indiana, well known to me to be credible witnesses, who, being duly sworn, depose and say that they have known the above Captain William Lyne for 30 and 10 years, respectively, and that he is to

their knowledge the identical person named in the above deposition, and that they are well acquainted with the said claimant and wholly disinterested in the prosecution of this claim.

Witness:

JACOB W. CLARK,
WM. T. ABBOTT.

Sworn to and subscribed before me this
have no interest whatever in this claim.

[SEAL.]

day of May, 1889, and I certify that I

GEORGE W. LOAG,
Clerk, Allen Circuit Court.

FT. WAYNE, IND., *June 24, 1889.*

ADJUTANT-GENERAL, U. S. A.:

DEAR SIR: I have the honor herewith to transmit to you the declaration and testimonials of Captain William Lyne, late of Co. E, 59th Regt. New York Vols. Inf'ty, who was dismissed the service for disobedience of orders in failing to report to Convalescent Camp as ordered by the provost marshal.

He respectfully asks that the sentence of court-martial be set aside and he be granted an *honorable discharge*, his act of disobedience being but technical, and through a misconception of duty, no injury having resulted to the service. He did not shirk any duty, but went to the front with his superior officer, Major Thoman, also of the 59th N. Y. Vols., and at his request, preferring active service at the front to inactivity at Washington.

Hoping for a favorable consideration and a speedy reply, I am, very respectfully,
N. C. MILLER,
Attorney.

WAR DEPARTMENT,
Record and Pension Division, August 6, 1889.

Respectfully returned.

It is held to be beyond the power of the Department to afford any relief in cases of this character, as there is no authority of law to revoke the dismissal of an officer and grant him an honorable discharge.

Your letter of July 5 last is herewith.

By authority of the Secretary of War:

F. C. AINSWORTH,
Capt. and Asst. Surg., U. S. A.

CITY OF ST. LOUIS, *State of Missouri, ss:*

Be it remembered that on this, the 7th day of February, 1890, before me, the undersigned, notary public in and for said city of St. Louis, personally appeared James H. Purdy, formerly major of the 59th N. Y. Vols., in the Army of the Potomac, now residing and practicing law at Santa Fé, New Mexico, who is to me personally known to be the same person whose name is subscribed to the following statement, who, having been sworn by me, deposes and says:

My name is James H. Purdy; I reside at Santa Fé, New Mexico, where I am engaged in the practice of law; in the 59th N. Y. Volunteers in the late war I served as major of the regiment; from its first organization in September, 1861, until his dismissal in March, 1863, Capt. William Lyne, of Company H, and I served together; I knew him constantly, personally, and well during his said service; he was a faithful soldier, an efficient officer, and honorable man; he was courageous, diligent, and zealous in the performance of his duties; throughout his service he enjoyed the confidence and esteem of the officers and men of his own company and of the regiment; from daily association with him in the camp and in the field I knew his whole course and record; it was honorable, efficient, soldierly, and courageous throughout; no man in the regiment was more active or zealous in the performance of his duties; he was dismissed for having hurried from hospital to rejoin the regiment at Falmouth, Virginia, without obtaining on his way through Washington the ordinary pass from the provost-marshal and his permission to proceed to the front; in common with his other fellow officers and soldiers of the regiment I have always considered his dismissal, under the circumstances, a purely arbitrary and altogether unwarranted exercise of military power in punishing and sacrificing a most worthy and patriotic officer, whose anxiety and zeal in unnecessarily pushing to the front to join his regi-

ment before the enemy, deserved reward rather than punishment; his shameful treatment has been a reproach to the military service, and Congress, acting for the nation, owes it to Captain Lyne to have him granted an honorable discharge from the Army, wherein he served always with honor and with the confidence and esteem of all his comrades.

JAMES H. PURDY,
Late Major 59th N. Y. Vols.

Subscribed and sworn to before me, a notary public in and for the city of St. Louis, State of Missouri, this seventh day of February, A. D. 1890.

My commission expires Nov. 22, 1893.

[SEAL.]

M. O. STURGEON,
Notary Public.

PETITION OF WILLIAM LYNE, LATE CAPTAIN 59TH NEW YORK VOLS. INF'TY., TO HAVE HIS MILITARY HISTORY CORRECTED.

The Congress of the United States:

The undersigned respectfully represents that he was a captain in the 59th Regiment New York Volunteer Infantry, Army of the Potomac; that in the winter of 1862 he was on detail duty at New York, where he was taken sick. Upon returning to duty with his regiment, then at the front, in passing through Washington in February, 1863, he reported to the provost-marshal for a pass to his regiment.

The provost-marshal ordered him to report to the convalescent camp near Washington, with which order he was about to comply when he met Major Thoman of his regiment, who insisted that he should accompany him to the regiment then at Falmouth, Virginia.

Being anxious to return to active duty, he yielded to the major's solicitations and went with him to the regiment, was reported present, and went on duty. Shortly thereafter he was cited to appear before the military commission, then in session at Washington, and by them his case was examined. He was ordered to return to his regiment. Subsequently an order was issued dismissing him from the service for disobedience of orders, in not reporting to convalescent camp as ordered, which order was dated March 3d, 1863. While he was required to obey this order, he at the time considered it unmerited and unjust, and greatly in excess of the punishment due.

Your petitioner therefore respectfully asks of your honorable body to enact such a law as will relieve him from the sentence of the military commission and grant him an honorable discharge in lieu thereof.

In support of this petition, and in proof of the assertions made by him, he begs to call your attention to the affidavits and other papers on file in the case in the office of the Secretary of War, a list of which is as follows, to wit:

1. Affidavit from Col. William Linn Tidball, 59th New York Vols. Inf'ty.
2. Affidavit from Capt. William McFadden, 59th New York Vols. Inf'ty.
3. Affidavit from Jacob W. Clark, capt. 59th New York Vols. Inf'ty.
4. Affidavit from Lieut. Henry N. Hamilton, 59th New York Vols. Inf'ty.
5. Affidavit from Mrs. Sarah E. Cash, New York City.
6. His own sworn declaration, with endorsement by the Secretary of War, showing the enactment of a law necessary in this case.
7. Brief history of the case to the President.
8. Opinion of the Judge-Advocate General.
9. Letter to the President from Hon. R. S. Taylor, of the Mississippi River Commission.
10. Letter to the President from Hon. J. B. White, ex-M. C. for Indiana (see end of President's brief).
11. Letter to the President from Capt. Allan H. Dougall, 88 Ind. Vols. Inf'ty, and member Nat'l C. of A., G. A. R.
12. Miscellaneous papers in the case.

Trusting that the case will be favorably entertained and that the prayer of the petitioner be granted, and your petitioner will ever pray.

WILLIAM LYNE,
Petitioner.

FORT WAYNE, IND., *February 1, 1890.*

P. S. 13.—I add the affidavit of Major James H. Purdy, 59th New York Vols. Inf'ty.
W. L.

GENERAL AFFIDAVIT.

STATE OF OHIO, *County of Knox*, ss :

In the matter of the claim for change of record in A. G. O.

In the case of Captain William Lyne, late captain of Co. "E," 59th Reg't New York Vols. Inf't'y, personally came before me, a notary public in and for the county and State aforesaid, William McFadden, whose post-office address is Mt. Vernon, county of Knox and State of Ohio, a person of lawful age, who, being duly sworn, declares, in relation to the aforesaid claim, as follows:

I first became acquainted with the above-named Wm. Lyne at Belleville, Ohio, in 1855, and knew him intimately from 1855 to 1870, before, during, and after said service in the 59th Reg't N. Y. Vol's. We went into service together in Co. H of said reg't, he as 1st lt. and I as 2nd lt., and he was promoted capt. of Co. E early in 1862. His character and standing prior to entering the service were good, and in the service, up to the time he came back from sick leave in February, 1863, he was regarded by the entire regiment, officers and men, as being among the very best officers of the reg't in every respect, and when the men learned the action of the court-martial in regard to his case they were very indignant and gathered near regimental headquarters for the purpose of protesting against Capt. Lyne being dismissed, and as I was in command of the camp that day, I went out and sent the men to their quarters, and the feeling of the officers of the regiment, with one single exception, was the same as that of the men, to wit: We all felt that Capt. Lyne had been imposed upon; that his absence on account of sickness was proper, and that he was not the kind of a man to commit any wilful offense against regulations, and we all felt and said that the sentence-dismissing him from the service was harsh—improper—and that the finding and sentence was made without the court having had knowledge of all the facts in the case; and I remember that a petition was drawn up, circulated, and signed by the officers and men of the regiment, praying that the finding and sentence in his case be disapproved or annulled, and that he be restored to duty with the regiment, but after mature deliberation we concluded that as he had been sent away our petition would probably receive no consideration and it was therefore not forwarded. I could state many other matters tending to show that Capt. Lyne should not have been dismissed the service. I fully realized that Capt. Lyne had made a great mistake in disobeying orders as he did, but I felt then, and now after more than 26 years I am more strongly confirmed in my opinion, that his offense was more a mistake than a deliberate act of insubordination, and that the regiment was losing one of its best officers, and that he should have been restored to duty with such punishment as would have been sufficient for the offense, and would have saved a good, faithful, and educated officer to the regiment and to the service, and I now believe that he should be fully restored to his rank and should be granted an honorable discharge.

Affiant further declares that he has no interest in said claim, and is not concerned in its prosecution.

WM. MCFADDEN,
Late Capt. 59th Regt. N. Y. Vols.

Sworn to and subscribed before me, this 2nd day of July, 1889, at Mt. Vernon, in the county of Knox and State of Ohio, and I hereby certify that the contents of the foregoing affidavit were fully made known and explained to the affiant before swearing thereto; that I wrote the foregoing statement at affiant's dictation; that the affiant is to me well known and is respectable, and worthy of full credit; and I further certify that I have no interest, direct or indirect, in the prosecution of this claim.

Certificate on file in Adjutant-General's office and in Pension Office.

[SEAL.]

M. M. MURPHY,
Notary Public, Knox County, Ohio.

HENRIETTA CAPOOT AND WILLIAM T. JACCARD, JR.

FEBRUARY 20, 1891.—Laid on the table and ordered to be printed.

Mr. LANE, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 9088.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 9088) granting a pension to Henrietta Capoot and William T. Jaccard, jr., submit the following report:

The committee find that this bill is in the nature of allowing arrears, and refuse to take action in such cases and recommend that the said bill lie on the table.



MRS. EMMA M. MOORE. .

FEBRUARY 20, 1891.—Laid on the table and ordered to be printed.

Mr. BOOTHMAN, from the Committee on Claims, submitted the following

ADVERSE REPORT:

[To accompany H. R. 12746.]

The Committee on Claims, to whom was referred the bill (H. R. 12746) for the relief of Mrs. Emma M. Moore, submit the following adverse report:

In the opinion of the majority of the Committee on Claims this bill ought not to pass. We base this conclusion on the general rule that the Government pays no interest on unliquidated claims.

Payment of the principal sum of \$5,000, upon which, and as to which, this claim is predicated, was refused in the first instance in 1857, because of a dispute upon this question, viz: Was Commodore Moore, of the Texan navy, an officer equal in rank to a senior captain in the United States Navy? The accounting officers of the Treasury and Navy Departments held that he was not, and paid him \$12,500 instead of \$17,000, which latter sum he claimed by virtue of the act of Congress providing, in substance, that 5 years' extra pay should be given to the officers in the Texan navy at the time of annexation, that pay to be in amount equal to the "pay of officers of the like grade when waiting orders in the Navy of the United States."

Commodore Moore claiming a rank equal to that of senior captain, the accounting officers claiming that his rank was only equal to that of junior captain in our Navy, Commodore Moore brought suit for the extra \$5,000 withheld, in the Court of Claims, and the decision of that court, rendered in 1869, was in his favor, and the money was then paid to his widow, Mrs. Emma M. Moore, the present claimant, he having died during the pendency of the suit.

The present claim is for interest on that sum of \$5,000, from March 3, 1857, to the present time. We think there was doubt enough in the original claim to warrant the Treasury and Navy officials in refusing payment until the question was judicially determined. And while the committee is not unanimous in this view, yet a majority hold that the case is not one where any special equity calls upon Congress to go beyond the general rule and pay interest at this late day as claimed in this case.

OWNERS OF PRIVATE DIES.

FEBRUARY 20, 1891.—Indefinitely postponed and ordered to be printed.

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Mr. BOOTHMAN, from the Committee on Claims, submitted the following

ADVERSE REPORT:

[To accompany S. 246.]

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The Committee on Claims, to whom was referred the bill (S. 246) to authorize the Secretary of the Treasury and the proper accounting officers to restate, settle, and pay to the owners of private dies the balance of commissions due them, submit the following adverse report:

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Your committee having very exhaustively examined and considered the evidence in this claim report, that in the judgment of the majority of the committee, no sufficient reason exists, which calls upon Congress to grant the legislation requested.

Whatever right to commissions were once held by the owners of private dies, a majority of the committee think, has been lost to them by reason of their own laches; and in our judgment no good reason can be given why the bar of the statute of limitations should be removed.

We therefore recommend that the House bill (H. R. 163) relating to the same subject, lie upon the table, and that this bill (S. 246) be reported adversely.

JOHN WAGNON.

FEBRUARY 20, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. BROWNE, of Virginia, from the Committee on Pensions, submitted the following

REPORT:

[To accompany H. R. 13592.]

The Committee on Pensions, to whom was referred the bill (H. R. 13592) granting a pension to John Wagon, have considered the same and report:

The claimant was a corporal in Capt. Thomas B. Watts's company, Col. William Lindsay's regiment of Alabama Volunteers in the Florida war, and served from April 7, 1838, to July 18, 1838.

W. R. Watson and J. F. Neely, prominent citizens of Bradley County, Ark., testify that Mr. Wagon is past 70 years old, in very bad health, and without income.

Your committee therefore recommend the passage of the bill.

ESTATE OF ISAAC P. TICE.

FEBRUARY 21, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

FEBRUARY 25, 1891.—Ordered to be reprinted as corrected.

Mr. DUNPHY, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 2268.]

The Committee on Claims, to whom was referred the bill (S. 2268) for the relief of the administrator of the estate of Isaac P. Tice, deceased, adopts, with the amendment reported at the end hereof, the report made in this matter by the Committee on the Judiciary, of the Forty-eighth Congress.

The whole of said report is now set forth as follows:

Isaac P. Tice invented a meter which, when attached to a distillery, measured the quality and strength of spirits distilled. It was adopted under the act approved March 2, 1867 (14 United States Statutes, 481).

The facts of the case and the law arising thereon are fully stated by Mr. Justice Harlan in the case of *Tice vs. United States* in the Supreme Court (92 United States Reports, 286) on appeal from the decision of the Court of Claims (13 Court of Claims Reports, 112).

The committee can not do better than insert the whole judgment of the Supreme Court, which is as follows:

"By an act approved March 2, 1867 (14 Stat., 481), the Secretary of the Treasury was authorized to 'adopt, procure, and prescribe' for use hydrometers, weighing and gauging instruments, meters, or other means for ascertaining the strength and quality of spirits subject to tax, or for the prevention or detection of frauds by distillers of spirits.

"On the 18th April, 1867, the Secretary adopted the Tice meter, and prescribed its use in distilleries, upon certain agreed conditions fully set forth in a letter to the inventor. Among those conditions were these: 'The Secretary of the Treasury holds himself at liberty at any time to adopt any improvement or modification of the meter or system, or at any time to revoke the order adopting the meter, and to discontinue their manufacture on behalf of the Government. If the first meter shall prove successful when subjected to the test above set forth, and the Government shall subsequently revoke the adoption of the meter and order a discontinuance of proceedings, you will be paid such sum as may be determined upon in the manner hereinafter stated, for all instruments which you may have completed, or have in process of completion at the time of revocation; provided that at no time shall you have more than twenty sets in process of manufacture at any one time, unless directions shall be given hereafter for the manufacture of a larger number.'

"By joint resolution passed February 3, 1868, Congress directed the appointment, by the Secretary of the Treasury, of a commission which, in connection with the then existing commission of the Academy of Science, should examine all meters and mechanical contrivances or inventions presented to them which were intended to measure, test, and ascertain the productiveness of grain or other articles prepared for distillation, or the actual quantity and strength of distilled spirits subject to tax, produced therefrom, the result of such examination to be communicated to Congress. The act declared 'that *pending* the action of said commission, and *until* their report be made, and a meter shall be by law adopted, all work on the construction of meters, under the direction of the Treasury Department, be and is hereby *suspended*.' 'And

in the meantime no further contract shall be made by the Secretary of the Treasury' under the act of March 2, 1867.

"By an act approved July 20, 1868 (15 Stat., 125), power to 'adopt and prescribe' meters was conferred upon the Commissioner of Internal Revenue. That officer, on September 16, 1868, decided to adopt and prescribe the Tice meter, and upon certain conditions, to which the inventor assented, he directed the latter 'to proceed with their construction.' Among the conditions were these:

"*Third.* The 117 meters now finished will be immediately made ready for delivery and 36 now in process of manufacture will be completed as soon as possible. The manufacture of others, to the number of 500 in all, is to be proceeded with as rapidly as possible, and thereafter not more than twenty sets are to be in process of construction at one time, unless a greater number is directed by the Commissioner of Internal Revenue.

"*Fourth.* The Commissioner reserves to himself, or his successor in office, the right at any time to adopt any improvement of the meter or system, or to revoke the order adopting the meter, and to direct on the part of the Government a discontinuance of its manufacture.'

"On the 7th June, 1870, the Commissioner ordered the discontinuance of that kind of Tice meter known as the second or 'credit' meter, and required distilleries to use thereafter the Tice sample meter, and the Tice automatic meters adapted for use as sample meters.

"On the succeeding day, June 8, 1870, the Commissioner addressed to Tice a letter in which, among other things, he gave notice that instructions and regulations in force prior to October 8, 1869, 'relating to the ordering and shipment and payment for the meters invented by you and prescribed for use in distilleries, remain in force only in respect to meters heretofore delivered, and also those you may now have on hand, or in process of construction, not exceeding twenty sets.' In that letter the Commissioner further says: 'Any regulations heretofore prescribed, addressed to you by or from this office, directing or authorizing you to construct, or proceed with the construction of, or to furnish, meters, especially those of September 16, 1868, are revoked, except as aforesaid. New rules, regulations, and orders have been prescribed, a copy of which is herewith inclosed, it being distinctly understood that neither the Government of the United States nor any Department or officer thereof, is or will be responsible for or on account of any spirit meters, or the attachment or adjustment thereof.'

"By a formal order made on June 7, 1871, the further use of Tice's spirit meters was finally discontinued, and all existing orders prescribing the same were revoked. At the date of that order Tice had on hand 14½ sets of meters, worth \$25,000, for which sum, and for the storage up to April 8, 1873, the estate of Tice rendered an account against the Government on the 12th of April, 1873. The account was approved by the then Commissioner, but payment being refused, this action was brought against the Government for the recovery of the sum claimed.

"From a judgment in the Court of Claims in favor of the Government this appeal is prosecuted.

"We concur with the learned counsel for appellants in the proposition that the contract made on the 18th of April, 1867, by the Secretary of the Treasury with Tice was not abrogated by the joint resolution of February 3, 1868. By the terms of the resolution it was only suspended until final action by the commission, whose report was designed as the foundation of a statute which would designate the kind of meters which should be adopted. But express authority to make a new contract was conferred by the act of July 20, 1868, upon the Commissioner of Internal Revenue. That officer was empowered to adopt and prescribe for use such hydrometers, saccharometers, weighing and gauging instruments or meters as he might deem necessary. The extent of the authority intended to be conferred upon him is manifested by the third section of the act of July 20, 1868, which required every owner, agent, or superintendent of a distillery to furnish and attach, at his own expense, such meter as the Commissioner might adopt and prescribe for use. It was by virtue of its provisions that the agreement of September 16, 1868, was made. And, according to any fair construction of its terms, in the light of attendant circumstances the Government was bound, as under the agreement of September 18, 1867, to pay for such sets, not exceeding twenty, as Tice might have on hand at the time their use should be discontinued. The provision to that effect in the contract of April 18, 1867, is so reasonable and just that we shall not presume that the contract of September 18, 1867, was intended to establish a different rule of compensation to the inventor. But we do not perceive, however, that all this justifies the conclusion that the Government was under any legal obligation to pay for the meters which Tice had on hand on June 8, 1871, and for the value of which the account in question was presented. By the express words of the agreement of September 18, 1868, the Commissioner had the right at any time to revoke the order adopting the meter, and to direct the discontinuance of its manufacture on behalf of the Government. That power was partially exerted by the order of June 7,

1870, which dispensed with the further use of all Tice meters except the sample meters or the automatic meters adopted for use as sample meters.

"But the power of revocation and discontinuance was fully exerted by the sweeping order of June 8, 1870, which, reserving the rights of Tice as to all meters theretofore delivered, and as to such as were then on hand or in process of construction, not exceeding twenty sets, revoked all previous regulations which directed or authorized the inventor to construct, or proceed with the construction of, or to furnish, meters, and especially the regulation of September 16, 1868. By that order distinct notice was given to the patentee that neither the Government of the United States nor any Department or officer thereof was or would be responsible for or on account of any spirit meters, or the attachment or adjustment thereof. The order of June 8, 1870, did not, perhaps, discontinue the use of meters altogether, but it clearly furnished notice that the patentee could not look to the Government for protection or reimbursement as to any meters *thereafter* constructed by him and used by distilleries. The meters for which the account was rendered were on hand on June 8, 1871, when all existing orders prescribing the same for use were absolutely revoked and the further use of Tice meters discontinued. Had they been on hand and in the process of construction at the date of the order of June 8, 1870, we would not doubt the liability of the Government for their value. But no such fact is found, and we suppose no such fact could have been established.

"While we do not agree with the court below in all the reasons assigned in support of the conclusion reached, we think its judgment is in accordance with the law, and it is affirmed."

It thus appears that had the claimant's administrator proved that Tice had the 14½ meters on hand on the 8th of June, 1870, the recovery would have been allowed.

It will be seen that the estate of Tice presented this claim to the Government April 12, 1873, which was approved by the then Commissioner, but not paid. This fact shows that Tice had died before that date. His attorney became ill, and the papers of the attorney were in such confusion as to disable the administrator of Tice to get at the facts which were evidenced by the papers. And it seems that the case was supposed to turn upon the question whether the meters were on hand in July, 1871, and not at the prior date of June 8, 1870. They were no doubt on hand in July, 1871, and the only question is, under the decision of the Supreme Court, were they on hand in June, 1870?

Depositions have been laid before the committee of four witnesses to supply this proof and are persuasive to that result; and the question remains, Shall the administrator be allowed a hearing in the Court of Claims, where he may establish this fact?

There is no sufficient ground, perhaps, accounting for the failure to prove this fact, to induce a court to award a new trial, even were a motion made for the purpose in due time. But your committee do not think that the leave should be denied by the Government when there may be proof furnished to establish a just claim under contract by a citizen against it. Where there is no fraud, and the evidence may be sifted by a court, your committee sees no danger to result from allowing a rehearing at all comparable with the injustice of denying it to a real creditor of the Government, and under these circumstances such relief should be extended to the claimant.

A second claim for about \$140,000 is now presented, based upon the alleged fact that the Commissioner of Internal Revenue, by an order in January 1869, directed the collectors to take the certificates of deposits in the collector's name from the distilleries for the price of the meters furnished, instead of making them payable to Tice. Thus the collectors of the Government intercepted the funds due to Tice, and much due to him was paid into the Treasury.

The Government thus assumed a *quasi* fiduciary relation to Tice, receiving his moneys with a liability to account to him. This being so, and no account with him having been had, and no tender by the proper officer, as far as appears, to do so, it is not a proper case for the Government to insist upon lapse of time or any limitation to protect itself against the just demand of one whose money the Government has received, intercepted, and withholds, especially where all the papers and evidences of claim are in the hands of the Government, and not in those of the claimant. If the Government has his money there is no just reason why he should not be allowed in its Court of Claims to assert his right and prove from the records of its office the amount it has so received and withholds from him.

The letter of the late Commissioner Raum is hereto annexed, and the account of moneys admitted to have been collected on his account. They show that the Treasury holds his money, and there is no just reason why Tice's administrator should not receive it upon due proof.

Your committee therefore report the bill referred, with a recommendation that it do pass.

Your committee also annex the depositions of Badeau, Cotter, Mead, and Clark. All of which is respectfully submitted.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, February 9, 1883.

SIR: I am in receipt of the letter, dated the 2d instant, from Hon. George F. Edmunds, chairman of the Judiciary Committee of the United States Senate, which was referred to me on the 5th instant by the Acting Secretary, Hon. H. F. French, with a request for a report.

In this letter Mr. Edmunds, on behalf of the committee, desires to be furnished with such information as is in the possession of this Department touching the subject of Senate bill 2392 of the present session, to grant the Court of Claims jurisdiction to hear and determine the claims of the Tice Manufacturing Company against the United States. He states that the committee has before it the memorial of said company; also Ex. Doc. No. 272, House of Representatives, Forty-first Congress, second session, being a letter from the Commissioner of Internal Revenue relative to the Tice meter, dated April 2, 1870, and several other documents; but that it does not clearly appear from any of these papers whether any and how much money was paid by the distillers for these meters, or what became of the money so paid, nor what became of the certificates of deposit delivered by distillers to collectors of internal revenue or the proceeds thereof. Neither does it appear how far, if at all, the United States bore the expenses of testing experiments at Georgetown, and how much of it was borne by Tice or his company. The committee therefore desires a complete report upon all of the points in the case not covered by previous reports to Congress, in order that it may judge of the propriety of waiving the statute of limitations and allowing the Tice Manufacturing Company to go to the Court of Claims.

In reply, I beg leave to call attention to the tables annexed to the letter of the Commissioner of Internal Revenue, dated March 25, 1870, and addressed to the Vice President of the United States, which tables are to be found on pages 66 to 97 of House Ex. Doc. No. 272, Forty-first Congress, second session, which is before the committee, and furnish information upon the points named by Mr. Edmunds.

I have also had prepared from the records of this office, and transmit herewith, lists embracing the foregoing information, and also such further items as were received and recorded after the date of the Commissioner's letter above mentioned.

From these tables it will be seen that there were 911 meters ordered, 836 meters delivered, and 152 meters attached.

There was deposited in payment for meters \$555,682.36. The sum of \$436,244.36 was paid to Mr. Tice, \$78,550 refunded to the distillers, and \$57,763 is now in the hands of collectors or not otherwise accounted for. A considerable number of the items in the claim is for "materials and attaching meters" at distilleries named.

I find no record whatever of the expenses of attaching any meters to distilleries, and information upon this point could hardly be obtained after this lapse of time. As it was provided by both statutes under which these meters were prescribed, that the attachment of the meters should be at the expense of the distiller, who was also to furnish all material, etc., and as these expenses were additional to the cost price of the meter, I think it fair to presume that in cases when the meters were attached by the agents of the Tice Manufacturing Company, all such expenses were then collected from the distiller, by the company.

In reference to the claim for expenses incurred in making tests of meters for the United States at Georgetown, D. C., I have to say that I find upon the files of the Department accounts for the expenses of the examination of meters, which was made at the "Potomac distillery," Georgetown, D. C., by the joint commission appointed for that purpose by the Secretary of the Treasury, under the joint resolution of Congress, approved February 2, 1868, of which commission the late Joseph Henry was chairman, and whose report can be found in House Ex. Doc. No. 214, Fortieth Congress, second session, and also appears on pages 10-29 of the memorial of the Tice Manufacturing Company. These accounts, one of which, amounting to \$980.74, was presented by Mr. I. P. Tice, and which were approved by the chairman of the commission, and paid by the Department, embrace items for the rent of the distillery, employment of workmen, purchase of material, etc.

A list of the items contained in these bills, and which amount in all to \$1,951.54, I inclose.

What further cost or outlay Mr. Tice or any of the inventors, who were present, incurred beyond the expenses incidental to their attendance and the presentation of their several inventions for the inspection of the commission, I am not informed.

In respect to the item for meters on hand June 8, 1870, I deem it necessary only to refer to the fact, which is admitted by the claimants, that a claim for the value of these meters was presented to and disallowed by this Department, and that subsequently in a suit in the Court of Claims by the administrator of Mr. Tice, for the same cause of action (*vide*, Court of Claims Reports, vol. 13, p. 112) it was held

by the court that the claimants had failed to establish their claim both in law and on the facts, and their petition was dismissed.

I desire again to call attention to the letters of the Commissioner of Internal Revenue, contained in Ex. Doc. No. 272, already referred to, for a history of the adoption of the Tice meter, and for an account of the course of business in accordance with which the meters were furnished to the distillers by the manufacturer and the latter compensated therefor.

The letter of Mr. Edmunds is herewith returned.

I have the honor to be, very respectfully,

GREEN B. RAUM,
Commissioner.

Hon. CHARLES J. FOLGER,
Secretary of the Treasury.

ESTATE OF ISAAC P. TICE.

Date.	Name of distiller.	District.	State.	Amount claimed by Mr. I. P. Tice as due for meters furnished.	Amount still in hands of collectors and not otherwise accounted for.	Amount claimed by I. P. Tice for attaching meters.	Date of attachment of meters.	Remarks.
1863.								
Nov. 30	A. M. Holter & Bro .....	.....	Montana.....	\$800.00	0	.....	.....	\$200 paid to Mr. Tice by A. M. Holter and \$600 refunded to distiller.
Dec. 18	Kohler Brothers .....	.....	New York.....	.....	.....	\$40.00	.....	No record of this case in the office.
1869.	T. A. MacIntyre	Twenty-fourth..	do	50.00	.....	.....	Not attached..	\$1,000 deposited and paid Mr. Tice.
Jan. 1	Ignatz Noel.....	Ninth.....	do .....	.....	.....	207.33	Attached.....	
1	Samuel Levy	Eighth	do	200.00	0	90.35	Not attached..	
1	Prince & Bachrach	Ninth	do .....	.....	.....	618.32	Attached.....	
1	T. C. Boden	Second	do	150.00	0	136.99	Not attached..	
1	David Elin	Fifth	do	450.00	0	366.07	Attached	
1	H. F. Billings	First	Illinois	450.00	0	.....	Not attached..	Should be David Eilan.
1	M. Mellings	Ninth	New York.....	.....	.....	236.79	do	Amount paid for collecting certificates.
6	A. M. Waterman	Fourth	Illinois	850.00	.....	.....	do	Should be M. Mellinger.
7	Geo. B. Frysinger	do	do	850.00	.....	.....	do	
Aug. 2	Edward Gill	Eighth	do	2,250.00	0	.....	do	\$1,000 deposited and paid Mr. Tice.
Jan. 8	B. Kupfer	do	New York.....	.....	.....	178.56	do	
30	Thomas Butler	Ninth	do .....	.....	.....	107.86	do	Meters returned to Mr. Tice.
30	Morris Levy	Eighth.....	do .....	.....	.....	211.55	do	
30	Joseph Black	Ninth	do .....	.....	.....	96.93	Attached.....	
30	Hanlon, Newman & Co	Eighth.....	do .....	.....	.....	810.74	Not attached..	
30	Elias Abrahams	do	do .....	.....	.....	411.50	do	
30	M. Baur	Ninth	do	150.00	.....	703.14	Attached.....	Should be M. Bauer.
30	S. Billings	Second	Illinois	1,250.00	0	.....	Not attached..	Amount paid for collecting certificate.
Feb. 11	John Young	Fourth	Pennsylvania..	150.00	\$150.00	.....	do	
Apr. 17	Owen McCarty	do	do	50.00	50.00	.....	do	
Apr. 17	H. C. Thompson	do	do	400.00	.....	161.99	April 10, 1869.	
Dec. 7	C. C. Ireland	First	Illinois	200.00	.....	.....	May 17, 1869..	
Apr. 12	L. F. Lingee.....	Fourth	Ohio	1,200.00	1,250.00	.....	Attached.....	Should be L. F. Singer.
21	M. Wagner	Third.....	Iowa	100.00	0	.....	Not attached..	Injunction served on collector.
May 4	W. H. McGuire	Second	Pennsylvania..	1,200.00	.....	.....	Attached.....	
7	Schmidt & Richter	do	Minnesota	600.00	650.00	.....	Not attached..	\$1,250 refunded to distiller.
20	Creamer & Brockschmidt.....	Fourth	Illinois	600.00	.....	.....	do	
22	J. M. Dougherty & Co.....	Third.....	Tennessee	1,800.00	.....	.....	do	\$650 paid Mr. Tice, May 22, 1869.
June 5	David T. Thompson	Eighth	Illinois	1,200.00	0	.....	do	\$1,250 deposited. No further information.
5	Gunkle & Brothers	Third.....	Ohio	1,200.00	.....	.....	Aug. 16, 1869..	\$450 deposited and paid Mr. Tice.
5	W. H. Powell	do	do	1,200.00	.....	.....	Not attached..	No record of any deposit.

5	Porter & Co	do	do	1,400.00	200.00	Not attached	No meters ordered. \$250 deposited and paid Mr. Tice.
5	M. Shuey (should be M. Sherry)	do	do	1,200.00	0	do	
10	W. H. Marshall	do	do	1,200.00	0	do	
12	John Marshall	do	do	1,600.00	1,200.00	do	\$1,600 paid Mr. Tice October 13, 1869.
15	S. W. Turner	do	do	800.00	1,200.00	do	\$800 paid by Arnold & Dobbins.
15	H. R. Waynadt	Sixth	do	1,200.00	1,200.00	do	Should be A. R. Weyandt.
18	J. D. Ogle	do	do	1,200.00		do	\$400 deposited and paid Mr. Tice.
1869.							
18	J. H. Wustell	do	do	1,200.00	1,200.00	do	
18	Charles Murkle	Third	do	1,200.00	1,200.00	do	
16	John Cockrill	do	do	350.00	0	do	Should be John Cotral; \$1,250 deposited and paid Mr. Tice.
July							
1	M. W. Sauser	Second	do	200.00	0	do	Collector Pullan says Tice overpaid \$50.
1	Ernst Arleth & Co	do	do	200.00	0	do	\$1,600 deposited and paid Mr. Tice.
1	John Pfeiffer	do	do	300.00	300.00	do	\$1,800 deposited and \$1,500 paid Mr. Tice.
1	H. N. Turner	Third	do	1,000.00	0	do	\$1,800 deposited and paid Mr. Tice.
1	Hay & Heilgfort	do	do	200.00	0	do	
15	E. J. Curley	Seventh	Kentucky	2,000.00	2,050.00	do	
27	C. H. Curtiss & Co	Fourth	Illinois	2,000.00	1,600.00	do	
29	W. J. Dodsworth	Third	Ohio	2,000.00	2,050.00	do	
31	George Montjoy	do	Pennsylvania			do	
Aug.							
2	Pollock & Brother	Tenth	Illinois	450.00	450.00	do	
10	J. Thompson	Eighth	New York			do	
14	H. M. Wright	Third	Ohio	350.00	0	do	\$1,250 deposited and paid Mr. Tice; record shows Tice overpaid \$50.
Sept.							
19	James M. Ayres	Eighth	Illinois	500.00	500.00	do	
24	F. C. Turbein	Seventh	Ohio	1,000.00	0	do	\$1,250 deposited and paid Mr. Tice.
27	Murry & Matson	Eighth	Illinois	500.00	500.00	do	Should be Murry & Watson.
30	H. Ruback	do	do	1,200.00	0	do	
30	Russell & Co	Twenty-fifth	New York			do	
1	Hammus Mott	do	do			105.71	
2	J. Sickles	Seventh	do	500.00	0	137.00	No record of any such distiller.
13	Dollmeyer & Octewann	First	West Virginia	600.00		75.00	Meter removed by Mr. Tice.
18	George Spurek & Co	Fifth	Illinois	800.00	600.00	do	Should be Dollmeyer & Oderwahn.
18	A. Nausbaum & Co	do	do	2,000.00	800.00	do	
20	Zell & Francis	do	do	1,000.00	2,000.00	do	
20	Wicker & Neil	do	do	2,000.00	1,000.00	do	
20	Clary & Co	Ninth	Ohio	1,800.00	1,800.00	do	\$800 paid by J. W. Chain.
22	R. Moir & Co	Fourth	Illinois	1,000.00	1,000.00	do	
22	Jonathan Turner	do	do	1,000.00	1,000.00	do	
25	Swartz & Waters	do	do	1,400.00	1,400.00	do	\$1,650 deposited, and \$650 paid Mr. Tice.
27	Barker & Co	Fifth	do	2,000.00	1,400.00	do	
28	D. C. Farrell	do	do	2,000.00	2,000.00	do	
Oct.							
1	J. Emmett & Co	Twelfth	Ohio	2,000.00	2,000.00	do	
1	J. Emmett	do	do	2,000.00	2,000.00	do	
2	Morris Steely & Co	do	do	1,600.00	1,400.00	do	
2	H. P. Deucher	Third	do	1,200.00	1,200.00	do	
9	A. Erwenger	Ninth	do	1,200.00	1,200.00	do	Should be A. Everingin.
13	J. Leity	Fourteenth	Pennsylvania	1,200.00	0	do	Supposed to be J. Leiby. Collector says he did not receive deposit from his predecessor.
22	R. Z. Murry	Eighth	Illinois	600.00		do	No further information.

ESTATE OF ISAAC P. TICE.

Date.	Name of distiller.	District.	State.	Amount claimed by Mr. I. P. Tice as due for meters furnished.	Amount still in hands of collectors, and not otherwise accounted for.	Amount claimed by I. P. Tice for attaching meters.	Date of attachment of meters.	Remarks.
1869. Oct. 27 Nov. 8	Keller Distilling Company.....	First	Illinois	\$2,600.00	\$1,800.00	\$103.75	Nov. 16, 1879..	
22	C. L. Wood.....	Fifth	do	800.00	800.00	.....	Not attached..	
28	D. Kirkpatrick	Third	Tennessee	1,600.00	1,600.00	.....	do	
4	Thayer Brothers	Fifth	Illinois	2,000.00	2,000.00	.....	do	
4	R. M. Cox & Co.....	do	do	1,800.00	1,800.00	.....	do	
4	D. M. Harkness	Ninth	Ohio	1,800.00	1,800.00	.....	do	
13	J. W. Chair	Fifth	Illinois .....	.....	.....	.....	.....	Supposed to be J. W. Chair, Pekin, eighth district. No such distiller at Peoria.
Dec. 1	E. C. Leach	First	do	200.00	0	99.99	May 25, 1869 ..	
1	C. Yerenck & Co.....	do	do	400.00	0	124.99	Not attached ..	Should be C. Yoenk & Co., \$1,650 deposited and paid Mr. Tice.
1	J. Kerchoff & Co.....	do	do .....	.....	.....	89.99	June 7, 1869 ..	
1	T. Lynch & Co.....	do	do .....	.....	.....	89.99	May 25, 1869 ..	
1	Great Western Distillery Company.	do	do .....	.....	.....	299.99	June 13, 1869 ..	
1	Hans Powell	do	do .....	.....	.....	89.99	May 31, 1869 ..	Should be Haas & Powell.
1	Kast & Stoepler	Fifth	Kentucky .....	.....	.....	9.79	Oct., 1869	
13	Howell & Monferton.....	.....	Montana.....	400.00	400.00	.....	Not attached ..	Should be Howell & Bonfonton.
31	J. W. Chair	Eighth	Illinois	800.00	1,600.00	.....	do	\$800 paid for meter shipped to Wicker & Neil, leaving \$800 in collector's hands.
31	Shultheip & Co.....	Fifth	Kentucky .....	.....	.....	30.58	Dec. 4, 1869	Should be Shultless & Co.
Aug. 30 1870.	J. Barker	Sixth	New York .....	.....	.....	173.51	May 20, 1869 ..	
May 7	A. Benholt & Co.....	.....	Pennsylvania.....	.....	.....	96.00	.....	No such distiller on record.
7	U. S. McKimm & Co.....	Twenty-second ..	do .....	.....	.....	30.75	Sept., 1869	
7	William Lee.....	Twenty-first.....	do .....	.....	.....	79.90	Attached	
7	A. H. Overholt.....	do	do .....	.....	.....	100.00	Not attached ..	No such distiller as A. H. Overholt, supposed to be A. & H. S. Overholt.
June 15	Biggs, Pattison & Co.....	Fifth	Kentucky	1,000.00	0	57.40	Dec. 8, 1869	\$600 deposited and paid by Mr. Tice.
Oct 6	Thomas H. Laneman.....	do	Indiana.....	200.00	0	.....	.....	Supposed to be Thomas H. Larimore.
Nov. 10	W. F. Knight	Twentieth.....	Pennsylvania.....	200.00	950.00	.....	Not attached ..	No deposit made.
10	N. Frisch	do	do	200.00	200.00	.....	do	

The following charges are made, of which there is no record in this office:

Date,		Amount.
June 1, 1871	J. P. O'Neil, attorney.....	\$150.00
Sept. 18, 1871	Doolittle & Norton, attorneys.....	2,335.50
June 18, 1872	E. N. Taft, attorney.....	2,864.00
June 8, 1870	1 sample meter a.....	200.00
	1 do do 1.....	450.00
	8 do do 2 at \$600.....	4,800.00
	8 do do 3 at \$800.....	6,400.00
	18 do do 4 at \$1,000.....	18,000.00
	1 do do 5.....	1,000.00
Nov. 1, 1872	Storage at \$1,000 per annum from June 1, 1872, to November 1, 1872.....	2,394.00
July 1, 1868	Expense of running distillery at Georgetown, D. C.....	5,000.00
	Damage and delay by stoppage in 1868.....	63,350.00

NOTE.—The United States paid \$1,951.54 for running the distillery in Georgetown, D. C., as shown by vouchers on file in the Internal-Revenue Office.

In the matter of the claim of the estate of the Isaac P. Tice, deceased, for relief, pending before the Forty-eighth Congress.

INTERROGATORIES.

First interrogatory. State your name, residence, and occupation.

Second interrogatory. Did you know the late Isaac P. Tice, and, if so, how long had you known him prior to his death?

Third interrogatory. State whether you had knowledge that said Isaac P. Tice manufactured meters under contract with the United States, and, if so, state whether he had any meters on hand on the 7th day of June, 1870; if so, state how many meters of each kind he had on hand at said date.

Deposition of William J. Cotter, jr., a witness upon the above claim, taken before W. R. Spooner, a United States commissioner for the southern district of New York, this 12th day of April, 1884, in answer to interrogatories hereto annexed.

UNITED STATES OF AMERICA,

State of New York, Southern District of New York, ss:

The said WILLIAM J. COTTER, Jr., being duly sworn by me, testifies:

To the first interrogatory he says: William J. Cotter, jr.; resides 122 Park avenue, Brooklyn; occupation, laborer.

To the second interrogatory he says: I knew Isaac P. Tice; I knew him about 12 years before he died (continuously).

To the third interrogatory he says: I knew he manufactured whisky meters under a contract with the United States. I know he had meters on hand on the 7th June, 1870, and, to the best of my recollection, there was one "No. 1," one "sample A," eight "No. 2," eight "No. 3," eighteen "No. 4," and one "No. 5." The "No. 1" meters had been in the shop at No. 202 and 204 East Twenty-ninth street, but were transferred to the shop at First avenue and Twenty-ninth street. My position was shipping clerk at the manufactory. I made an inventory of the meters about June, 1870, and to the best of my recollection I turned it over to the treasurer of the company, Mr. Badeau. No meters of the sizes and numbers above stated were made after June, 1870, and the same meters were on hand in June, 1871. Some small meters "sample A," were made, not over ten or twelve, during the year, to fill private orders, but none of those on hand in June, 1870, were used to fill such orders.

I remember an inspector coming during the year to take account of meters on hand. I think his name was Hill, but I am not sure.

WM. J. COTTER, Jr.

Subscribed and sworn to before me this 12th day of April, 1884; and I further certify that I have no interest in the above-entitled claim.

[SEAL.]

W. R. SPOONER,

United States Commissioner, Southern District of New York.

In the matter of the claim of the estate of Isaac P. Tice, deceased, for relief. Before the Forty eighth Congress of the United States. Deposition of Jesse B. Badeau, a witness upon the above claim, taken before W. R. Spooner, a United States commissioner for the southern district of New York, this 12th day of April, 1884, in answer to interrogatories hereto annexed.

UNITED STATES OF AMERICA,

State of New York, Southern District of New York:

The said Jesse B. Badeau, being duly sworn before me, testifies:

To the first interrogatory he says: My name is Jesse B. Badeau; residence, No. 146 Duane street, New York; business, commercial traveler. In 1869 and 1870 I was treasurer of the Tice Manufacturing Company.

To the second interrogatory he says: I knew Isaac P. Tice, now deceased, and knew him for ten or eleven years prior to his death.

To the third interrogatory he says: I had knowledge that Tice had a contract with the Government for the manufacture of spirit meters, and that the Tice Manufacturing Company manufactured the meters called for under that contract, under an arrangement with Tice. There were on hand on the 7th of June, 1870, in the works of the company for Tice's contract, thirty-seven meters of different sizes, viz: One sample meter "A," one "No. 1," eight "No. 2," eight "No. 3," eighteen "No. 4," and one "No. 5." These were all completed, as I recollect, and they made a certain number of "sets," exactly how many, I cannot recollect. I remember a suspension of the Government contract, June 8, 1870, and the same day or the following day myself and Mr. F. W. Clark took an inventory of the meters on hand, and the above is the correct statement of the number on hand. I remember an inspector visiting the works shortly afterward to take an account of meters. I was treasurer of the company for about three years after this date.

The company did business in a small way between June, 1870, and June, 1871, and shipped on private orders a few meters, ten or twelve of the smaller sizes, but the meters on hand in June, 1870, were set aside in a cellar and not disturbed nor used to fill any private orders. I believe they were subsequently sold by the sheriff for old iron. None of them were used under the Government contract with Tice.

JESSE B. BADEAU.

Subscribed and sworn to before me this 19th day of April, 1884; and I certify that I have no interest, direct or indirect, in the said claim.

[SEAL.]

W. R. SPOONER,

United States Commissioner, Southern District of New York.

In the matter of the claim of the estate of Isaac P. Tice, deceased, for relief, pending before the Forty-eighth Congress.

INTERROGATORIES.

First interrogatory. State your name, residence, and occupation.

Second interrogatory. Did you know the late Isaac P. Tice; and, if so, how long had you known him prior to his death?

Third interrogatory. State whether you had knowledge that said Isaac P. Tice manufactured meters under contract with the United States, and, if so, state whether he had any meters on hand on the 7th day of June, 1870; if so, state how many meters of each kind he had on hand at said date.

STATE OF NEW YORK,

Southern District of the United States, ss:

Deposition of Erastus F. Mead, a witness, taken before me, W. R. Spooner, a United States commissioner for the southern district of New York, this 5th day of April, 1884, in answer to interrogatories hereto annexed.

The said witnesses being by me first duly sworn, testified as follows:

To the first interrogatory he says: My name is Erastus F. Mead; I reside at No. 46 East Sixty-third street, New York City, and am by occupation a broker.

To the second interrogatory he says: I knew him and had known him for 12 years before his death, about November, 1875.

To the third interrogatory he says: Yes; I knew his invention of the spirit meter and his contract with the Government. I was president of the Tice Manufacturing Company, which was organized to manufacture these meters; I know that all the meters furnished distillers under Tice contract were so manufactured by that company. Tice had charge of the matter of furnishing meters, and our company did the work.

On the 7th June, 1870, Tice's contract with the Government was suspended, at least the further manufacture of the meters was suspended by the Government.

An inventory of the meters on hand on June 8, 1870, and ready for delivery, or partially completed, was taken under my direction, which inventory showed: One

meter "sample A," one meter "No. 1," eight meters "No. 2," eight meters "No. 3," eighteen meters "No. 4," and one meter "No. 5," of which the different parts were all completed, but they were not all put together, and the same, as they stood, were subsequently allowed, by a Government inspector sent to examine the same, at fourteen and one-half sets of meters complete. These meters were worthless after the suspension of the Government contract, except for old metal, that is, they were useful for spirit meters only.

E. F. MEAD.

Subscribed and sworn to before me this 5th day of April, 1884; and I certify that I have no claim upon or interest in the claim above specified.

W. R. SPOONER,
United States Commissioner, Southern District of New York.

In the matter of the claim of the estate of Isaac P. Tice, deceased, for relief, pending before the Forty-eighth Congress.

INTERROGATORIES.

First interrogatory. State your name, residence, and occupation.

Second interrogatory. Did you know the late Isaac P. Tice; and, if so, how long had you known him prior to his death?

Third interrogatory. State whether you had knowledge that said Isaac P. Tice manufactured meters under contract with the United States; and, if so, state whether he had any meters on hand on the 7th day of June, 1870; if so, state how many meters of each kind he had on hand at said date?

Deposition of Francis W. Clark, a witness, taken before me, W. R. Spooner, an United States commissioner for the southern district of New York, this 5th day of April, 1884, in answer to the interrogatories hereto annexed.

UNITED STATES OF AMERICA,

State of New York, southern district of New York, ss:

The said witness, FRANCIS W. CLARK, being first duly sworn by me, testifies as follows:

To the first interrogatory he says: Francis W. Clark, 201 McDonough street, Brooklyn; occupation, manufacturer.

To the second interrogatory he says: I knew Isaac P. Tice for about seven years prior to his death, and up to his death.

To the third interrogatory he says: I had knowledge that he manufactured meters under a contract between himself and the Government; I had charge of the books relating to the manufacture and shipping of meters, and the correspondence with the Government, and was so engaged on the 8th day of June, 1870; the works were then situated at 29th street and 1st avenue, New York City; I had knowledge of the suspension on the 8th June, 1870, of the Government contract; I took, under instructions of Mr. E. F. Mead, president of the Tice Manufacturing Company, assisted by Jesse B. Badeau, an inventory of the meters then on hand and in process of manufacture; I remember there were 37 single meters all told, of different sizes and stages of completion, all completed except setting up and putting on outside plates; there was one "a," one "No. 1," eight "No. 2," eight "No. 3," eighteen "No. 4," and one "No. 5" meters.

A "set" of meters consisted sometimes of one meter and sometimes of two meters, the single set being for high wines, and the double set for both low and high wines; these were all on hand on the 8th June, 1870; no meters whatever were manufactured after that under the Government contract; I personally made out and sent to the Treasury bills for the meters so on hand, very soon after taking the inventory; I have no interest in the claim now pending as above entitled; the meters were valuable only for measuring spirits, but for other purposes were worth only their price as old metal.

FRANCIS W. CLARK.

Subscribed and sworn to before me this 5th day of April, 1884; and I further certify that I have no interest in the above-entitled claim.

[SEAL.]

W. R. SPOONER,
United States Commissioner, southern district of New York.

Since the Senate bill has been referred to the committee, conference with the officers of the Attorney-General's Department has been had. While these officers make no recommendation in the matter, they advise that the interests of the Government might be prejudiced unless the Senate bill be amended as follows, viz:

After the words "United States," in line 11, insert:

Provided, That on the trial of said case the United States may offer in evidence any evidence given and filed in the prior trial between these parties or in this case.

The committee recommend that the bill, amended as above, do pass.

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BRIDGE ACROSS THE ARKANSAS RIVER AT LITTLE ROCK,
ARK.

FEBRUARY 21, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. BAKER, from the Committee on Commerce, submitted the following

REPORT:

[To accompany H. R. 13553.]

The Committee on Commerce, having had under consideration House bill 13553, report the same back with the following amendments:

In line 1, section 2, strike out the word "is," and insert in lieu thereof the word "and." In line 8, section 4, after the word "conditions" insert the word "to;" and also strike out in same line the word "perform" and insert in lieu thereof the word "conform." Also strike out in lines 2 and 3, section 5, the following words, "subject to and under the," and insert in lieu thereof the following words, "under and subject to such;" also in line 3, in said section, strike out the words "said river, which," and insert in lieu thereof the words "navigation as." Also, in line 9 of section 5, strike out the words "topography of," and insert in lieu thereof the words "high and low water lines upon;" also, in lines 9 and 10 of said section, strike out "the shore line at high and low water;" also, in line 11 of said section, after the word "stages," insert "of the water;" and also strike out the word "and" and insert in lieu thereof the word "with," and after the word "soundings" in line 11 of section 5, strike out "actually" and insert the word "accurately;" and also after the word "stream," in line 12 of section 5, insert the word "and;" and also insert after the word "bridges" in line 12 of section 5, the following words, "such map to be sufficiently in detail to enable the Secretary of War to judge of the proper location of said bridge."

These amendments are suggested by the Secretary of War, and conform the bill to his recommendations. His letter is attached hereto and made a part of his report.

As amended the committee report the bill favorably and recommend its passage.

OFFICE OF THE CHIEF OF ENGINEERS, U. S. ARMY,
Washington, D. C., February 19, 1891.

SIR: I have the honor to return herewith H. R. 13553, Fifty-first Congress, second session, "A bill to authorize the building of a railroad bridge at Little Rock, Ark.," and, in reply to its reference to this office I beg to recommend the following amendments thereto:

Section 2, line 1, change the word "is" to "and."

Section 4, line 8, after the word "conditions" insert the word "to," and change the word "perform" to "conform."

Section 5, lines 2 and 3, strike out the words "subject to and under the" and insert in lieu thereof, "under and subject to such."

Line 3, strike out the words "said river, which," and insert in lieu thereof "navigation as."

Line 9, strike out the words "topography of," and insert in lieu thereof "high and low water lines upon."

Lines 9 and 10, strike out the words "the shore line at high and low water."

Line 11, after the word "stages" insert "of the high water;" substitute "with" for "and", and after the word "soundings" substitute "accurately" for "actually."

Line 12, after the word "stream" insert "and"; after the word "bridges" insert "such map to be sufficiently in detail to enable the Secretary of War to judge of the proper location of said bridge."

A copy of H. R. 13553, with the proposed amendments indicated thereon, is herewith submitted, and, as thus amended, I know of no objection to its passage by Congress, so far as the interests of navigation are concerned.

Very respectfully, your obedient servant,

THOS. LINCOLN CASEY,
Brig. Gen., Chief of Engineers.

HON. REDFIELD PROCTOR,
Secretary of War.

O

BRIDGE AT VAN BUREN, ARK.

FEBRUARY 21, 1891.—Referred to the House Calendar and ordered to be printed.

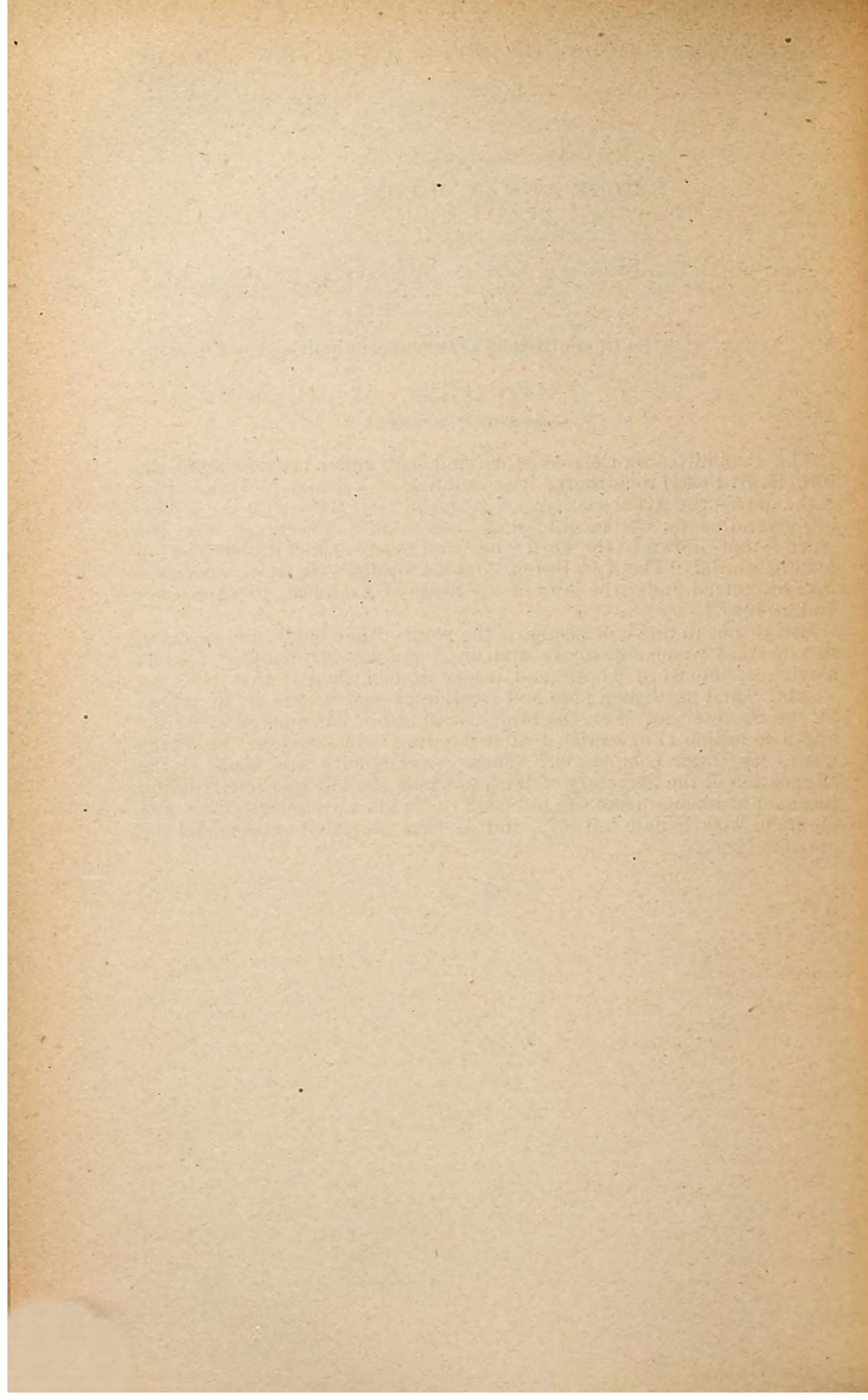
Mr. BAKER, from the Committee on Commerce, submitted the following

REPORT:

[To accompany H. R. 13604.]

The Committee on Commerce, having had under consideration the bill (H. R. 13604) to authorize the building of a bridge at Van Buren, Ark., across the Arkansas River, report the same back with the following amendments: Strike out all of lines 1 and 2 in section 1 from the word "that" down to the word "be," and insert in lieu thereof the following words: "The Van Buren Pontoon Bridge Company, a corporation organized under the laws of the State of Arkansas, its successors and assigns."

Strike out in line 8 of section 4 the words "one-half," and insert in lieu thereof "one mile above and one," and also strike out in line 16, section 4, the word "but," and insert in lieu thereof the following words: "and until such plan and location of said bridge are approved by the Secretary of War, the bridge shall not be commenced or built," and also in line 17 of section 4, after the word "construction," insert the words "or after completion." These amendments are made at the suggestion of the Secretary of War, to whom the bill was referred, and these amendments make the bill conform to his recommendations and identical with Senate bill 5072, and as thus amended recommend the passage thereof.



ORIN B. McDANIEL.

FEBRUARY 21, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SPOONER, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany S. 1518.]

The Committee on Military Affairs, to whom was referred bill (S. 1518) for the relief of Orin R. McDaniel, respectfully report: That the facts which justify favorable action are fully stated in the Senate report upon said bill hereto annexed, and your committee report the bill favorably and recommend its passage.

[Senate Report No. 554, Fifty-first Congress, first session.]

In the Forty-ninth Congress a petition and papers for the relief of Orin R. McDaniel, this claimant, were presented and referred to the Committee on Military Affairs, and on February 22, 1887, Mr. Cockrell, from that committee, submitted to the Senate the following report:

In the Forty-eighth Congress the following act was passed for the relief of claimant, to wit:

[PRIVATE—No. 96.]

AN ACT granting a pension to Orin R. McDaniel.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension-roll, subject to the provisions and limitations of the pension laws, the name of Orin R. McDaniel, late of Company H, Sixty-fourth Regiment Illinois Infantry Volunteers.

Approved February 19, 1885.

Whilst said act was pending as a bill in the Senate, Senator Cullom made the following report thereon, January 13, 1885, No. 983:

"The application for pension in this case has been rejected because the Adjutant-General's Office failed to find any record of claimant's service, 'and hence,' as the Commissioner says in his letter to this committee, 'the adjudication of the claim can not be proceeded with, for it is the business of the War Department to furnish proof of service, and the report of non-service now on file must be accepted by this office as conclusive evidence, notwithstanding the testimony of Lieutenant Rives and Comrade Hutchison as to soldier's enlistment,' etc.

"McDaniel served five years in the regular Army, and was discharged in April, 1861. He claims to have enlisted as a veteran in Company H, Sixty-fourth Illinois Volunteers, December 26, 1863, and to have been sent home on sick furlough February 4, 1864; that he was attacked with ophthalmia, and prevented from returning to his company; that he was sick in bed for several months, and was totally blind for two years; that he is now totally blind in the right eye and the sight of the left eye is very badly affected.

"In August, 1865, affidavits were made in this case by Drs. Edwin C. Woolly and Abram J. Miller, who were partners in the practice of medicine at Paris, Ill., where McDaniel resided. Dr. Woolly testified that on February 9, 1864, McDaniel was suffering from a desperate attack of purulent ophthalmia (not venereal) of eight or nine days' standing; that McDaniel was suffering intensely, but was very anxious to recover speedily and rejoin his regiment; that he used all means in his power to reduce the inflammation and save McDaniel's eyes, but the disease resisted all his efforts; that he reported to his captain that McDaniel would never be fit for duty; that said captain directed him to keep McDaniel at home until fit for service, and to report him occasionally, which affiant did.

"Dr. Miller testified that he examined McDaniel December 26, 1863, for the service, and passed him as sound and fit for duty; that the clearness of his eyes and the intensity of their color especially attracted his attention; that McDaniel was a man of

vigorous constitution, and physically sound in every particular when affiant inspected him for the service; that he next saw him February 9, 1864, when McDaniel's condition was as described by Dr. Woolly; that the firm was requested by Captain Stoner, of McDaniel's company, to report his condition to him occasionally; that affiant was fully satisfied that Woolly did report to Stoner frequently, and believed he had himself so reported, but could not swear positively to the fact.

"Robert S. Rives, first lieutenant of the company, makes affidavit that McDaniel was duly enrolled on the lists of the company as a private, and was duly enlisted in the service about December 25, 1863.

"John Hutchison, a private in the same company, swears that McDaniel was duly enrolled in said company.

"The examining surgeons of the Pension Office have certified as to McDaniel's disability by reason of ophthalmia.

"The committee think the evidence is sufficient to show conclusively that McDaniel was actually in the military service as a soldier of the Union Army, and there being no doubt that he was totally blind for two years after his illness, which occurred at the time of his alleged service, and that he is now blind in one eye and partly in the other, your committee are of the opinion that he should be allowed a pension, and therefore recommend the passage of the bill."

Your committee attach hereto a letter from the Second Auditor to Senator Farwell, dated February 4, 1887, as follows, to wit:

TREASURY DEPARTMENT, SECOND AUDITOR'S OFFICE,
Washington, D. C., February 4, 1887.

Hon. C. B. FARWELL,
United States Senate:

SIR: I have the honor to return herewith letter of A. Y. Trogdon, addressed to you, concerning the claim of Orrin R. McDaniel, late of First United States Mounted Rifles and Sixty-fourth Illinois Volunteers.

This soldier's claim was received January 8, 1884; and January 22, 1884, the Adjutant-General of the Army was requested to furnish a statement of service in both regiments. A full report was furnished as to First United States Mounted Rifles, and in the same report the Adjutant-General states, "The name Orrin R. McDaniel is borne on the muster-in roll of Company H, Sixty-fourth Illinois Volunteers, with a red line drawn through it, which would indicate that he was a rejected recruit.

This office can take no favorable action upon his claim until his military record as of Sixty-fourth Illinois Volunteers has been completed, application for which must be made to the Adjutant-General, U. S. Army, Washington, D. C. The attorney in the case of A. Y. Trogdon was fully advised of the requirements by office letter of August 19, 1885.

An addressed penalty envelope is herewith inclosed.

Very respectfully,

J. B. CALDWELL,
Acting Auditor.
S.

Your committee, on application to the Adjutant-General, received the following reply, to wit:

WAR DEPARTMENT, *February 17, 1886.*

Hon. F. M. COCKRELL:

The report to Second Auditor in case of McDaniel is correct in fact, but as he was only enrolled and granted leave from which he never joined, and was not mustered in, it is regarded no record of service.

R. C. DRUM.

It was not the fault of this soldier that he could not be mustered in. Your committee therefore report to the Senate a bill for his relief, and recommend its passage.

Senate bill 3333, Forty-ninth Congress, was precisely similar to the present bill, and was passed by Senate.

In the Fiftieth Congress, S. 768, for the relief of said claimant, was presented, favorably reported by this committee (See S. Report, No. 11), and was passed by Senate and favorably reported in the House, but no final action had.

After reconsidering the facts in this case your committee approve the action heretofore had by Congress and report the bill back to the Senate and recommend its passage.

PURCHASE OF PAINTINGS BY ALBERT BIERSTADT.

FEBRUARY 21, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. O'NEILL, of Pennsylvania, from the Committee on the Library, submitted the following

REPORT:

[To accompany H. R. 13683.]

The Committee on the Library, to whom was referred the bill (H. R. 13683) appropriating \$65,000, out of any moneys in the Treasury not otherwise appropriated, for the purchase of five oil paintings by Albert Bierstadt, now in the White House, do hereby report said bill with an amendment, as follows:

Strike out the words "sixty-five" and insert the word "fifty" in lieu thereof, so as to make the appropriation for the purchase \$50,000.

Strike out the words "White House" wherever they occur in the bill, and insert the words "Executive Mansion," and strike out the same words in the title and insert the words "Executive Mansion."

These are five great oil paintings by Albert Bierstadt, the distinguished painter, now hanging in the entrance hall of the White House. They were placed there by the artist at the request of President Arthur, in the year 1882, under the verbal agreement that they were to be purchased by the Government. They are illustrations of the grandest scenery in the country, and have been pronounced by competent critics splendid specimens of Bierstadt's genius. They comprehend the following subjects:

1. King's River Cañon.
2. Yellowstone Falls.
3. The Giant Geyser.
4. General view of the park.
5. Yosemite Valley.

These paintings have never been purchased by the Government. The sum named in the bill (\$65,000) had been named in the original negotiations, but Congress has taken no action whatever in the matter. The committee believe that the pictures should be purchased by the Government, and they recommend the passage of the amended bill.

CALVIN B. CUNNINGHAM.

FEBRUARY 21, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. STONE, of Kentucky, from the Committee on War Claims, submitted the following

REPORT:

[To accompany H. R. 13695.]

The Committee on War Claims, to whom was referred the bill (H. R. 12191) to authorize the legal representatives of Calvin B. Cunningham, deceased, to bring suit in the Court of Claims for the recovery of the net proceeds of cotton taken at Friar's Point, Miss., in the year 1863, by the U. S. Army, and turned over to the Treasury agent, and by him sold and the proceeds paid into the Treasury of the United States, having had the same under consideration, make the following report:

Calvin B. Cunningham at the breaking out of the war was a resident of Friar's Point, Miss., where he resided in 1863, at which time he was the owner of a large amount of cotton which was stored in his warehouse at that point. The history of this claim is well stated in the affidavit of Capt. Edwin Bancroft, of the U. S. Army, which is among the papers in the case. He says: That in October, 1863, by the direction of General Buford, who was in command of the Department of Eastern Arkansas, he accompanied Colonel Montgomery, of the Twenty-sixth Wisconsin Infantry, to Friar's Point, under instructions to seize all the cotton there was in that place, and the immediate vicinity; that he seized over 700 bales of cotton, and in the lot were 63 bales claimed by Cunningham, and which was marked in his name; that Cunningham protested against the seizure, and claimed to be a loyal citizen of the United States; that his orders were to seize all cotton; that he took the cotton by boat to Helena, Ark., and reported to General Buford, who dispatched him, with guards, to Memphis, Tenn., to report to Major-General Hurlburt, who directed him to turn over the cotton to his quartermaster, which he did; that Cunningham's reputation was that of a Union man. He heard of many acts he did at his own great personal risk showing his loyalty. He was treated by all Union officers as a loyal man.

It also appears that shortly after taking this cotton Cunningham was compelled to leave the State of Mississippi on account of the aid he rendered the Federal forces; that he went within the Union lines in Arkansas and from there to Odin, Ill., where he remained until the war was over. He died in 1866, leaving a widow and minor children. This claim was presented for the first time to the Forty-eighth Congress, but no action was taken.

In view of the facts, your committee think that the claimant should be granted a hearing, and report a substitute for the House bill, and recommend that it do pass.

SALE OF TIMBER RESERVED FOR CHIPPEWA INDIANS.

FEBRUARY 21, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. McCORD, from the Committee on Indian Affairs, submitted the following

REPORT:

[To accompany H. R. 13500.]

The Committee on Indian Affairs, to whom was referred House bill 13500, submit the following report:

These Indians occupy a reservation in the northern part of the State of Wisconsin, upon which there is at present pine timber standing and down, estimated to be worth in the neighborhood of \$600,000. The timber has attained its growth, and it is believed that from wind, fires, and depredations, is deteriorating in value.

This bill proposes to allow the Indians to log this timber themselves, sell the logs when delivered on the banks of the streams or in market, to the highest bidder, the money arising from such sale to be deposited in the United States Treasury and held for the benefit of the tribe. A similar practice is now being followed among the Menominee Indians in the eastern part of the State, and is found to work well. It gives the Indians employment at remunerative prices, and learns them habits of business and economy, and has a very civilizing influence upon them.

Many of these Indians have had considerable experience in logging, both by working in the camps of white men and also upon land of their own. The bill provides that 20 per cent. of the net proceeds may be expended each year under the direction of the Secretary of the Interior for the benefit of the Indians, and the balance kept in the Treasury for the benefit of the tribe, interest upon which shall be paid to them annually at 5 per cent. This bill was transmitted to this Congress by the President December 22, 1890; is recommended by the Secretary of the Interior and the Commissioner of Indian Affairs (see Executive Document No. 23, Fifty-first Congress, second session). The game upon the reservations occupied by these Indians is becoming very scarce, and it is believed if they are not allowed to cut their timber and receive the avails of it, much suffering among them is sure to ensue. If this bill becomes a law the timber can only be cut under rules prescribed by the Secretary of the Interior. The bill in all its features is well guarded to protect the rights of the Indians who have asked for this legislation and favor this bill. The letter of the Secretary of the Interior referred to in the above mentioned Executive Document is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, December 18, 1890.

The PRESIDENT:

I have the honor to submit herewith a copy of a communication of the 25th ultimo, from the Commissioner of Indian Affairs, which embodies substantially the provisions of three bills, referred to in Senate report No. 2710, Fiftieth Congress, second ses-

2 SALE OF TIMBER RESERVED FOR CHIPPEWA INDIANS.

sion, and a draft of a bill (No. 2) prepared by the Commissioner, which is similar to that enacted for the Menominees (26 Stats., 146).

The Commissioner expresses a preference for bill No. 2, for the reason the Chippewas are as capable of performing this work as the Menominees, but says if Congress decides in favor of the other it will be acceptable to his office.

As some disposition of this matter seems necessary, I have the honor to recommend that these bills be transmitted to Congress with request that one of them receive favorable consideration.

I have the honor to be, very respectfully, your obedient servant,

JOHN W. NOBLE,
Secretary.

The following is an extract from a letter relating to the bill under consideration :

DEPARTMENT OF THE INTERIOR, OFFICE OF INDIAN AFFAIRS,
Washington, February 10, 1891.

SIR: I am in receipt of your communication, dated February 6, 1891, in which you inclose copies of bills No. 13500 and 13501, relative to the disposition of timber on Chippewa reservations in Wisconsin, etc., and state that if either of these bills meets my approval, and I am willing to render what assistance I can, you think you can secure its passage. * * *

The importance of the passage of this bill, or of some measure for the disposition of the timber on the Chippewa reservations, is fully shown in office report of November 25, 1890. The passage of the bill, or either of them, would relieve this office of much embarrassment in dealing with this question, and would certainly be for the permanent benefit of the Indians.

If it be possible I trust that House bill 13500 may become a law during the present session.

Very respectfully,

T. J. MORGAN,
Commissioner.

Hon. M. H. McCORD,

House of Representatives.

(Through the Secretary of the Interior.)

We therefore report back the bill No. 13500, and recommend its passage.

COL. DANIEL MCCLURE.

FEBRUARY 21, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. ROCKWELL, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany S. 1007.]

The Committee on Military Affairs, to whom was referred the bill (S. 1007) for the relief of Col. Daniel McClure, submit the following report:

The matters now brought to the attention of Congress in connection with the bill under consideration have heretofore received examination by the Court of Claims, in its examination of the case of Colonel McClure under the authority conferred by an act entitled "An act for the relief of Col. Daniel McClure," approved February 24, 1874 (18 Stats. at Large, pt. III, p. 531).

The Court of Claims allowed Colonel McClure only partial relief. The court there held that under the provisions of the act conferring jurisdiction to hear said case the court could not afford relief to Colonel McClure upon equitable as distinguished from legal considerations. The court therefore relieved him from his losses, to the extent of allowing him credit for the moneys captured and taken from his office by the public enemy at New Orleans, La., and San Antonio, Tex., at the time of the surrender of General Twiggs, in February, 1861.

The Court of Claims having refused to find certain facts which presented equitable considerations and grounds of relief, the case was appealed to the Supreme Court, where Colonel McClure renewed his efforts to secure from the Court of Claims, upon an order to be made by the Supreme Court, certain additional findings which would show equitable grounds for his relief. The Supreme Court in denying the motion made in that court on behalf of Colonel McClure for such findings as would present the equitable features and considerations involved in a proper decision of his case, used the following:

As to the proposed findings, with a view to ascertaining the existence of "just and equitable grounds for credits claimed," they are clearly immaterial for the purpose of a judicial determination of the rights of the parties. At most they would only show that McClure had been compelled to conduct his business under very unfavorable circumstances; that the amounts disbursed by him had been large; that much of his business had necessarily been done by his clerks, upon the accuracy of whose statements and calculations he was compelled in a great measure to rely; that with the exception of the present differences his accounts had always been found correct; that he had sometimes given receipts in advance of the time he had actually got the money, and by reason of the limited facilities for transacting business in his office it was possible for a receipt to be got without the money being actually paid over; that there had been great delay in advising him of the errors in his accounts, and things of like character. These are facts proper for the consideration of Congress on an application by McClure for legislative action in his favor." (Claimant's memorial, pp. 50, 51.) See *Daniel McClure v. United States* (116 U. S. 145-154).

The Supreme Court having declared in the above opinion that the equitable considerations upon which he relied in the Court of Claims, were appropriate for the consideration of Congress, Colonel McClure sought relief here; and heretofore, in the Committees on Military Affairs of both Houses of Congress, the justice of his appeal has been fully recognized.

A bill for the relief of Colonel McClure has been twice favorably reported to, and passed by the Senate, the last bill so reported and passed is the one now under consideration.

Bills having the same purpose as that now under consideration received the favorable action of this committee in the Forty ninth and Fiftieth Congresses.

The facts of the case are briefly as follows, viz :

Colonel McClure graduated from West Point in 1849. He subsequently resigned from the Army and engaged in civil pursuits. In October, 1858, he was appointed paymaster in the Army, and during the period of his military service he was three times brevetted for faithful and meritorious service; and in 1866 he was appointed an assistant paymaster-general, with the rank of colonel. He was retired on the 30th of December, 1888.

During the period of his important and long continued service his accounts show that he disbursed more than \$126,000,000.

During the period from his appointment to the date of his retirement, notwithstanding the large amounts of public moneys received and disbursed by him as above stated, there has been no discrepancy in his accounts except such as will now be stated, and because of which the bill for his relief is presented for the consideration of Congress.

The first discrepancy occurred in February, 1861, when he was stationed in Texas. The amount was \$1,000.

The next occurred in April, 1862, when he was stationed in Washington City, and when moneys were received to make numerous payments daily to individual soldiers, and on other accounts. Another, amounting to \$25,000, occurred on the 9th of September, 1862, and another of \$4,933.06 on the 26th of September, 1862, when he was stationed at Indianapolis. These last two, and the principal discrepancies, occurred in the month of September, 1862, the most active period of the war, when he was in charge of a pay district embracing the States of Indiana, Illinois, Wisconsin, Michigan, and Ohio.

These losses occurred in a time of very great official pressure upon Colonel McClure. He was disbursing each month very large sums of money, and he had very meager and limited facilities for the transaction of his immense business and the discharge of his important and burdensome duties.

Without entering into details of facts on this report (for which reference is made to previous reports) your committee now state that they have carefully examined into facts, and as the result of such examination report that they are thoroughly satisfied that the loss of said sums with which Colonel McClure is now charged was not due to any want of integrity on the part of Colonel McClure.

They are satisfied that no part of said moneys was appropriated by him to his own use, directly or indirectly; they do not impute the loss of said sums to any want of integrity on the part of any of his official subordinates or clerks, but to the conditions, confusion, and circumstances at the time these losses occurred; of his strict integrity your committee entertain no doubt.

The loyalty and devotion of General McClure to the Government is

evidenced by the fact that when General Twiggs surrendered, he succeeded at much inconvenience and peril in bringing away from Texas \$40,000 in gold belonging to his Government, and by this exercise of judgment and prudence prevented its falling into the hands of those who were arrayed against his Government.

Your committee are convinced of Colonel McClure's integrity in respect of these losses. They are satisfied that he did not in any way profit by them. They are not willing to impute to Colonel McClure willful negligence or disregard of official duty in connection with the loss of said funds. His long and honorable service, his fidelity to every official duty, his unwavering devotion to his country in the hour of her greatest need and peril, and his integrity repel any such conclusion.

Your committee therefore report back the said Senate bill for the relief of Colonel McClure and earnestly recommend its passage.

O

E. J. WOLEM.

FEBRUARY 21, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. THOMAS, from the Committee on War Claims, submitted the following

REPORT:

[To accompany H. R. 4226.]

The Committee on War Claims, to whom was referred the bill (H. R. 4226) for the relief of E. J. Wolem, of Washington County, Ark., having had the same under consideration, beg leave to submit the following report:

It appears from the evidence before your committee that the claimant, Elijah J. Wolem, entered into a contract with Major-General Thomas, through Gen. M. H. Chisler, then commanding Division of Alabama, to carry the civil and military mail of the United States from Rome, Ga., to Blue Mountain, Ala., a distance of 62 miles, at the price of \$1,000 per month; that under said contract he did carry and transport both the civil and military mails of the United States from June 1, 1865, until November 1, 1865, between said points, six times a week.

It appears from the evidence that the service performed was both expensive and dangerous in consequence of the unsettled condition of the country in that section, being immediately after the close of the late civil war, the country there was infested with lawless bands of marauders, making it dangerous both to life and property.

It also appears that feed for stage stock was very scarce and high—that claimant frequently wagoned corn and hay from 50 to 100 miles. The evidence further shows that the service was performed in 4-horse coaches, of first-class quality, and that the service was performed regularly and promptly to the perfect satisfaction of the service.

It further appears that claimant has never received any compensation whatever for this very dangerous and expensive public service. The Post-Office Department could not, of course, settle with and pay him for it, hence in 1875 he appealed to Congress for relief, and presented his petition to the Forty-third Congress, which was referred to the Committee on Post-Offices and Post-Roads. The Committee on Post-Offices and Post-Roads in the Senate reported adversely upon his said petition from the fact that a charge stood on the books of the Post-Office Department against him for failing to execute and perform a subsequent mail contract on same line.

At that time there was no evidence before that committee showing why claimant did not fulfil his said bid, and why he forfeited the same.

Claimant has always admitted that he made the bid of 25 cents on said contract, and admits that he failed to execute the same because he says that it was represented to him by one P. H. Woodward, as a

special agent of the Post-Office Department at the time, that there were two contracts open to let on that line, one for 8 months, running till June 30, 1866, and one for 12 months, running to July 1, 1867; that he said to Mr. Woodward that he had heard that the 8 months' contract had been let, and that he did not want either unless he got both. Claimant testifies, and so does Mr. Woodward, that he assured claimant that both were open.

Claimant alleges that the contract made between him and Woodward was an entirety, and made with the full assurance that neither had been let and that he would get both if he made the nominal bid of 25 cents, and claims that he would not have bid for either had he not been assured by this agent of the Government that he would get both; the reason for which was that an opposition line had been put on, competing with him for the travel, and he was led to believe that if he could secure a continued contract for carrying the United States mail he could hold the trade—a thing he could not do if he lost the first 8 months that was being let, and for that reason he made his bid for both at 25 cents; that it was soon discovered that the 8 months and first part of his contract had really been let to his competitor in the staging business; therefore, feeling that he had not secured the main part of his contract he refused to enter into bond for either, hence they were forfeited.

These facts are well supported by the testimony of both the claimant and Mr. Woodward, the agent of the Government with whom he made the agreement. It appears that Mr. Woodward was innocent in his representations to Mr. Wolem, and that neither party really knew that the first 8 months had already been awarded to another. The affidavit of claimant and that of Mr. Woodward is hereto attached as a part of this report.

It appearing to your committee that Mr. Wolem performed his contract made with the military authorities of the Government well, and that under the circumstances the charges are not unreasonable, and from the further fact that he has been kept out of his pay for more than 20 years, and that from the evidence the forfeiture on his second contract, the one with Mr. Woodward, was justifiable, a fact not known to the honorable Senate committee that reported against him. Your committee recommend that the bill do pass.

COUNTY OF HARTFORD, *State of Connecticut*:

Personally appeared before me, Thomas M. Smith, a notary public for the county and State aforesaid, P. Henry Woodward, of Hartford, who on oath deposes and says: That in the year 1865, he was a special agent for the Post-Office Department; That in the fall of that year he met at Rome, Ga., E. J. Wolem, proprietor or agent for a line of stages running thence to Selma, Ala.; that said Wolem put in two bids for mail service at that time, one running till June 30, 1866, and one from July 12, 1866, to June 30, 1867; that the consideration named was merely nominal; that neither said Wolem or said Woodward knew at the time that the service for the first named period had been let, and that if such fact had been known the bid for the year ended June 30, 1867, would neither have been solicited or made, at least for the consideration named. I was instructed by the Second Assistant Postmaster-General to solicit proposals at or within certain prescribed rates. In other words the proposals were made and accepted for transmission to the Department in ignorance of a fact, which if known, would have prevented such proposals from being made.

P. HENRY WOODWARD.

HARTFORD, CONN., *May 10, 1890.*

Sworn and subscribed to before me.

[SEAL.]

THOMAS M. SMITH,
Notary Public.

CLARKSVILLE, ARK., *January 12, 1874.*

Hon. J. A. CRESWELL,
Postmaster-General, Washington, D. C.:

DEAR SIR: On or about November 1, 1865, one Mr. Woodward, representing himself as the special agent of the Post-Office Department, and who, at that time, resided at Macon or Augusta, Ga., visited Rome, Ga., and solicited an interview with me. I being absent, Woodward dispatched a messenger after me; receiving his summons 12 o'clock at night, I rode 26 miles by daylight next morning in order to meet Woodward. Woodward states to me that he is "a special agent of the Post-Office Department, and was sent there, at Rome, by the Postmaster-General for the purpose of soliciting bids on route No. 6657, from Rome, Ga., to Blue Mountains, Ala.; that there were 20 months of an unexpired term which had to be let in two separate contracts; one, the first, for 8 months, and the second for 12 months.

I stated to Woodward that F. C. Taylor had the first contract for 8 months. Woodward assured me that said Taylor did not have said contract and that he would not get it; that he (Woodward) was just from Washington and spoke by the authority of the Postmaster-General. Woodward assured me that I should have both contracts if I bid for them.

After these, and many other statements of Woodward urging me to take the contract, and I becoming satisfied with the truth of his representations, I then consented to bid for both contracts, and did so. My proposition to Woodward was to bid \$1,800 for the first contract; and \$3,000 for the second. Woodward replied, "That is too much, and if he were in my place he would not make such bid; that it would result in somebody else getting it; that he felt an interest in my welfare, and wanted to see me get the contract; that F. C. Taylor had treated me badly in running an opposition against me."

I had heavy opposition to combat on the line for some time, and Woodward knowing the facts advised me to put my bid low enough to insure my getting of the contract; and instanced at the time a Mr. Beeman whom he said he knew in Georgia, who had opposition so heavy, at one time in the staging business, that he bid off a mail contract at 25 cents, succeeding in ousting his competitor and made a fortune out of the line; and he (Woodward) knew that I could do the same thing; that I was having a good travel on the line, and to get Taylor out of the way would get all the business, and by the time of the next regular letting of said contract I would have all my stock on the line, and have a precedence over anyone else, that I should have said contract at its next regular letting and receive good compensation therefor." Woodward insisted so strenuously on me bidding only 25 cents for said contracts, that I consented to do so solely on his solicitation and direction, he representing himself as the agent of the Government, and having full faith and confidence in the truth of all his statements.

The bid, words and figures, was made out by and in the handwriting of Woodward himself. Had it not been for the representations of Woodward that I should have the two contracts, he stated were there to be let out, I would never have made any bid whatever for said mail route.

It was the agreement between Woodward and myself at the time the bid was made, that unless both contracts were awarded to me, that I was not to take whichever one might be awarded. I also stated to him at the time that unless I could get the contract for the first 8 months I might be forced, in view of the heavy competition I had to encounter on the line to sell my stock, or compromise with my competitor running an opposing line, and in that event, might not be able to carry out the second contract with the Government.

Woodward, by his representations, induced me to believe that he had full power from the Post-office Department at Washington to arrange all the details of a contract in the premises; and that whatever agreement we entered into in regard to said route would be executed on his part, and the part of the Government which he claimed to be special agent, honestly, and faithfully. Had it not been for Woodward sending for me at the time he did, and inducing me by what proved afterwards to be misleading representations or statements made, I should never have made the bid for said route; for up to the time Woodward sent for me. I did not know there was such a man in existence, or such mail contracts to be let.

I, Elijah J. Wolem, do solemnly swear the facts set forth in the above foregoing statements are true, so help me God.

E. J. WOLEM.

Sworn to and subscribed before me this 12th day of January, 1874.

[SEAL.]

ED. GREEN,
Clerk.

PORT OF DELIVERY AT ENFIELD, CONN.

FEBRUARY 21, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. LIND, from the Committee on Commerce, submitted the following

REPORT:

[To accompany H. R. 13428.]

The Committee on Commerce, to whom was referred the bill (H. R. 13428) to make Enfield, Conn., a port of delivery in the district of Hartford, submit the following report:

The bill seeks to make Enfield, Conn., a port of delivery in the district of Hartford. It entails no additional expense in the collection of duties and calls for no additional force. The Treasury Department has examined the bill and sees no objection to its passage. There are large carpet mills at Enfield, which import and use annually about \$450,000 worth of carpet materials, chiefly wool, on which the duties are from \$145,000 to \$165,000. It will be a great convenience to those carpet mills to have Enfield made a port of delivery without detriment or expense to the service. The committee recommend the passage of the bill.



COINAGE OF GOLD AND SILVER.

FEBRUARY 21, 1891.—Indefinitely postponed.

FEBRUARY 23, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. WICKHAM, from the Committee on Coinage, Weights, and Measures, submitted the following

ADVERSE REPORT:

[To accompany S. 4675.]

The Committee on Coinage, Weights, and Measures, to whom was referred the bill (S. 4675) to provide a unit of value and for the coinage of gold and silver, and for other purposes, having had the same under consideration, report as follows:

The committee, desiring to have the largest information to aid them in their conclusions, have patiently listened for the period of a month to delegations, individuals, and memorials expressing all the various views upon the subject of the coinage of silver; some of them representing chambers of commerce, boards of trade, associations of merchants, traders, and manufacturers, large savings-bank and insurance company interests, mining interests, the Farmers' Alliance and other associations of farmers, and various labor organizations.

The committee have also given audience to statisticians, students of finance, and many others, who have given considerable attention to the questions involved in the legislation proposed in the bill in question.

The committee feel that they have been fortunate in this, since many of those who have been before them have given evidence of great intelligence upon the subject before the committee, and have been able to afford to them valuable assistance in coming to their conclusion.

Under the provisions of the act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," passed during the first session of the present Congress and approved July 14, 1890, Treasury notes issued in the purchase of silver bullion of corresponding value to an amount exceeding at the rate of the purchases already made \$54,000,000 annually are being added to the volume of the currency of the country.

This largely exceeds the contraction by way of the retirement of national bank notes and in a period of 10 years would, at the same rate, gradually add to the volume of the currency above the amount of the bank notes, should they all be retired, the sum of \$360,000,000.

The Secretary of the Treasury in his report for 1889 states that the surplus of silver in the world, above the amount used in the arts and coinage in all other countries than the United States, was for 1888, 39,500,000 fine ounces. According to statement of Director of the Mint Leech the surplus in 1889, assuming that the coinage and use in the arts was no greater than in 1888, was 56,500,000 ounces. We are per-

suaded that the amount used in the arts and in coinage outside of the United States exceeded that of 1888 to such an amount that the surplus was less than 54,000,000 ounces. If these estimates are correct, under the present law there is provision for using the world's surplus, which is all that unlimited coinage could accomplish.

The American product in 1888, as stated by the Secretary, was 45,000,000 ounces. For 1889, according to the report of the Director of the Mint, the American output was 50,000,000 ounces.

It is said, however, that the demand of the present law does not call for all the silver surplus and that there are now "bearing" the market about 15,000,000 ounces, which are sufficient to keep down the price of silver to its present ruling figure. Whether this 15,000,000 ounces are likely to remain a threat to the market or whether they are used by designing persons as a temporary means to depress the price is a matter upon which intelligent persons who have appeared before the committee differ. This can be determined by a continuance of the present policy of buying no more than the 4,500,000 ounces monthly provided for by the existing law.

If the presence of the 15,000,000 ounces is continued only for the purpose of affecting some change in legislation and Congress shall show by its action that it intends no change, this body of silver will be permitted to go its way, and so will no longer depress the market. If on the other hand this amount of bullion is in actual excess over the demand, it will be easy at any future time for Congress in its wisdom to provide for its absorption into the volume of the currency. To determine this time is needed.

The Treasury notes issued under the law of last session, already referred to, are, in the language of that act, "a legal tender in payment of all debts, public and private, except when otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues."

This is the highest function that could possibly be given to silver under free coinage, so that under the existing law, subject only to the uncertainty as to the origin and design of the 15,000,000 ounces already referred to, we have provision for the use of all the silver that would be brought to the mints under free coinage (assuming the world's surplus to be as already stated). The money issued has all the legal qualities and purchasing power of coined money, and in addition is confined practically to the American product and so shuts out all danger, so strenuously insisted upon by many, of the flooding of our market with the silver of the world. The present law, at the time of its passage, was declared by many ardent supporters of free coinage to be satisfactory.

The conditions are substantially the same as then. There has been no important change in our monetary situation.

If the present law, when passed, promised to all intents and purposes the use of the American product and authorized the issue of money as good for all purposes as coined silver, it is not now evident to the committee wherein it has failed in that promise nor wherein it is likely in the future to fail to accomplish that desirable end.

In view of the foregoing feeling that there is no need at present for further legislation, and at the same time being not unmindful of the fact that this Congress at its last session upon a direct vote rejected free coinage of silver provided for in language identical with that in this bill, the committee report adversely upon the bill and recommend that it do not pass.

COINAGE OF GOLD AND SILVER.

FEBRUARY 28, 1891.—Indefinitely postponed and ordered to be printed.

Mr. BARTINE, from the Committee on Coinage, Weights, and Measures,
submitted the following as the

VIEWS OF THE MINORITY:

[To accompany S. 4675.]

In submitting their views and stating, in part, their reasons for believing that the accompanying bill should be enacted into law, the minority of the committee can not refrain from expressing their regret that the majority should have deemed it proper to withhold their report until so late a date as to render it practically impossible for the House to consider the bill upon its merits during the present session.

We have no desire to reflect upon the motives which induced this long delay; but in justice to ourselves we feel that we should call the attention of the country to the fact that the failure to report at an earlier day was through no fault on the part of the minority. From the moment when the bill was first taken up for consideration we pressed continuously and urgently for prompt and speedy action. While not underrating the importance of careful consideration in committee, we regarded it as of still greater importance that the *House* should also have an opportunity to consider and, if it chose, to *act* upon the bill.

The "silver question" is not a new one in the United States, nor was it a new one to the committee. For fifteen years it has been the subject of discussion in every forum in the public press, in scientific magazines, in economic treatises, upon the lecture platform, in political campaigns, and in the halls of legislation. The literature of the subject covers it in almost every phase. Twice within a year the Senate of the United States, after most thorough and exhaustive discussions, has, by large majorities, placed itself upon record in favor of the complete restoration of silver to its former position by the side of gold in the monetary system of the country.

A bill similar to the one now under consideration and emanating from the same source, namely, the United States Senate, was before this committee during the first session of the present Congress. At that time a general notice through the public press was given to all persons who felt an interest in the subject and who desired to be heard to appear before the committee; and although that notice stood out in bold relief for several weeks, with the exception of the late Secretary of the Treasury, not a single person appeared in opposition to the free coinage of silver.

But no sooner had this bill been taken up for consideration than we were at once overwhelmed with applications to be heard in opposition thereto. Chambers of commerce, boards of trade, banking associations,

and almost every form of aggregated wealth were anxious to throw the light of their accumulated wisdom upon the subject. Believing that these hearings once begun would be drawn out at such length that there would be no time for the House to take action, the minority at all times earnestly protested against such a course.

We feel that the result has fully justified our position. For more than a month we have been occupied in listening to vague fears, dogmatic opinions, stale platitudes, and threadbare arguments repeated over and over again by each succeeding delegation that has presented itself before the committee. Some of our colleagues have expressed themselves as being greatly interested in and instructed by the addresses to which we have listened.

We are truly glad that some good has resulted. But in the closing days of the short session of the Fifty-first Congress, with the whole country in a fever heat of expectancy, and with its business disordered through the uncertainty as to silver legislation, we can scarcely view even the "interesting" and "instructing" of our colleagues, as in any-wise approaching a fair equivalent for the valuable time lost.

SILVER AS MONEY.

We believe that the best interests of the country required not only an early, but a favorable report upon this bill. In our judgment by far the most damaging blow at the prosperity of this nation was that which struck down silver in 1873. From the remotest period of recorded history silver had been one of the two great money metals of the world. Originally, both gold and silver were used in their crude state and passed current at what may be called their purely commercial value—that is, their average value in those other staple commodities which formed the subject of sale and exchange. But as time passed on and civilization spread the status of the metals changed and their functions became of vastly greater importance.

Money has become the very life-blood of commerce. Every modern government has assumed absolute control of its national money to the complete exclusion of foreign governments and private individuals. For the purpose of creating a currency, every existing government has used either gold or silver, or both, without limitation; but the use of silver has been far more general and wide spread than that of gold.

Until the year 1816 no considerable nation had shown any preference for gold over silver. The monetary use of silver was then universal, and it was everywhere the standard, either alone or conjointly with gold. In that year, however, Great Britain, departing from time-honored custom, planted herself upon the single standard of gold. In 1857 Germany abandoned gold and adopted silver. In 1873 for the purpose of putting herself in accord with the monetary system of England, and possibly thinking to still further cripple France, Germany demonetized silver, and a number of the smaller European states followed her example.

It will scarcely be questioned by anyone that up to the 12th day of February, 1873, the legal standard of the United States was bi-metallic—gold and silver. Upon that point both the Constitution and the statutes speak for themselves. The unit of value was the "dollar." This consisted either of $25\frac{8}{10}$ grains of standard gold, or $412\frac{1}{2}$ grains of standard silver. Both metals were freely coined, and both were full legal tender for all debts, public and private.

On the date last mentioned an act was placed upon the statute books

of the United States, which virtually destroyed silver as money and made gold the sole standard of value throughout the whole of this great country. Whether this was done "surreptitiously" and with sinister design, we do not pretend to know. But as Mr. John Jay Knox, formerly Comptroller of the Currency, presented himself before the committee and rather obtrusively claimed the credit (?) of the measure, and as we are not able to discover any good that has ever resulted from it, we are willing to assume that so far as he is concerned, the design was in harmony with the natural effect, namely: the enrichment of the creditor class at the expense of every struggling debtor in the land.

ITS DEMONETIZATION IN THIS COUNTRY.

The demonetization of silver in this country was effected by simply dropping the "standard dollar" from the mint law and substituting a "trade dollar" of 420 grains. In the Senate, where the act was consummated, from the beginning to the end of the debate upon the bill there was not the slightest allusion to any change of standard, and the whole discussion went to trivial points of detail.

Upon calling up the bill Senator Sherman used the following language:

I rise for the purpose of moving that the Senate proceed to the consideration of the Mint bill. I will state that this bill will not probably consume any more time than the time consumed in reading it. It passed the Senate 2 years ago after full debate. It was taken up again in the House during the present Congress, and passed there. It is a matter of vital interest to the Government, and I am informed by officers of the Government it is important it should pass promptly. The amendments reported by the Committee on Finance present the points of difference between the two houses, and they can go to a committee of conference without having a controversy here in the Senate about them.

Think of that! A measure which was to affect the value of every acre of land, every piece of personal property, and every dollar of indebtedness, national, State, municipal, and individual, between the two oceans, which completely changed every existing equity, was not to "consume any more time than the time consumed in reading it."

Evidently Senator Sherman did not realize the significance of the act. At that very moment the United States was looming up as one of the greatest—perhaps the greatest—silver-producing nation of the world. A new country, undergoing development upon a gigantic scale almost entirely upon the basis of borrowed money and laden with debt contracted in the greatest civil war of ancient or modern times; and yet without one single word of protest or even of comment the ancient standard of values is destroyed and the American people are doomed to pay every dollar of their enormous indebtedness in gold—a metal constantly shrinking in relative quantity and constantly appreciating in value.

It can only be explained upon the hypothesis that the Senate relied upon the committee having the matter in charge, and was deceived by the flippancy and indifference with which the details of the bill were mentioned. It is possible that the dovetailing of the "trade dollar" into the bill operated, in a measure, as a hoodwink. But be that as it may, the fact remains that without one single word of public discussion silver was stricken down and gold was made the sole measure of value in the United States.

We have referred thus to the former status and demonetization of silver, because many of our opponents discuss the question in such manner as to suggest a doubt as to whether they had ever heard of silver

money until the "silver kings" of the far West and the dishonest farmers of the Mississippi Valley projected it as a disturbing element into the field of American politics.

It is singular to observe the unanimity and the indignation with which the great money centers of the country denounce the restoration of silver as a "steal," as a villainous and iniquitous scheme to enable the dishonest debtor to escape the payment of his just debts. It is unfortunate that there are so many people whose ideas of honesty and morality are colored to such an extent by their surroundings and what appear to be their interests.

Suppose the case was completely reversed; that in 1873 we had been plainly and undeniably upon the gold standard, every debt in the country payable in that metal alone, and in a hasty revision of the mint law a "standard silver dollar," with full legal-tender quality, had been interpolated, what a cry would have gone up over such a "fraudulent debasement of the currency."

But surely it can not be necessary for us to argue that such an act would have been merely the converse of what did take place when the double standard was destroyed and the gold standard established in its stead.

CLAIM THAT OUR DOUBLE STANDARD WAS THEORETICAL.

We know that it is stoutly claimed that our double standard was purely theoretical, and that, in fact, the standard was gold. In support of the claim comes this oft-repeated allegation that prior to 1873 there had only been something over 8,000,000 standard silver dollars coined at the American mint.

This shows either a misapprehension of what is really meant by a double standard, or it is a technical sophism employed to obscure the question. The double standard means the right to have recourse to both metals, or either, for monetary use. The right existing, the use will necessarily follow, and in such manner as to confer the greatest amount of good.

The actual amount of coinage during a given period is wholly immaterial so far as this question is concerned. From 1800 to 1830 there was only about \$8,000,000 in gold coin struck at our mint, and in 1816-'17 there was none at all. If gold had been demonetized in one of those years what sort of an answer would it have been to an objection to say that we coined no gold during those two years? It would be no answer whatever. There can be no question that the Constitution and laws of the country were intended to enable us to utilize both metals.

WHY OUR SILVER WENT ABROAD.

But by erroneous calculations our coinage laws sometimes undervalued gold and sometimes silver, as compared with the coinage ratios of other countries. These conflicting ratios, coupled with trade conditions, at times carried our gold abroad, and at others our silver. About the year 1860 silver was discovered in considerable quantities in the United States. We were then coining at the ratio of 16 ounces of silver to 1 of gold, while in Europe the ratio was generally 15½ to 1. An ounce of silver was therefore worth nearly 4 cents more for coinage purposes in Europe than it was here, and accordingly to Europe it went. But we didn't give it away. Neither did the American miner send his bullion to the French mint. He had no use for French coin. He simply sold

his silver for the best price he could obtain, and it then found its way abroad in the settlement of trade balances.

From 1860 to 1873 the balance of trade was heavily against us, the imports of merchandise exceeding the exports by more than a thousand millions of dollars. How could we expect to keep our silver under such circumstances? Accordingly we find that during that same period our exports of specie exceeded the imports by about \$670,000,000.

But those who lay stress upon the limited amount of our silver coinage during that period, should not lose sight of the fact that our gold nearly all went abroad also. The total product of our mines was, in round numbers, \$600,000,000, and with no figures of domestic export for 1860-'61-'63, our exports amounted to about \$520,000,000. The truth is that adverse trade currents deprived us of nearly all of both metals; but that furnishes no argument against the existence of the double standard. At the French coining ratio silver was worth \$1.33 an ounce. Therefore every ounce that went abroad liquidated a debt or purchased goods of that value. If it had first been coined into dollars it could have done no more, and the work of coinage would have been superfluous.

SUBSIDIARY COINAGE.

The argument based upon the limited coinage of standard dollars, moreover, loses its entire force when we consider that the subsidiary coinage, consisting of half dollars, quarters, and dimes had amounted to not far from \$144,000,000, and during a large portion of the time it was a full legal-tender, being only limited in that regard to prevent it from also going abroad.

WE WERE USING PAPER CURRENCY AT THE TIME.

This circumstance is frequently invoked for the purpose of proving that the demonetization of silver in this country had little or no effect upon the monetary disturbance that has taken place since 1873. A more illogical conclusion could scarcely be arrived at. We can not recall a nation of Europe or America which at some time, through the exigencies of war or otherwise, has not been forced to suspend specie payments and resort to paper issues.

If this argument is sound, it would follow that the entire world might demonetize a metal without affecting either its value or its status. It would only be necessary for each nation to act at a time when it happened to be using a paper currency.

Our greenbacks and national-bank notes were brought into use through the necessities of a nation struggling for its very life. But everybody understood that the currency was temporary in character, and even in 1873 we were moving onward in the direction of resumption. It made an immense difference whether we resumed on the basis of both metals or only one.

So far from the action of the United States having no effect upon the relative values of gold and silver, we believe that it was infinitely more potential than the action of Germany. The divergence of the two metals has been brought about chiefly by an increased demand for gold. It is estimated that since 1873 the new demands for that metal aggregate nearly or quite \$1,200,000,000. This is but very little short of one-third of the entire stock of gold coin known to exist, and at least one-half of this new demand has sprung up here in the United States.

The effect of our action is to be determined, not by what we *had* been doing, but by what we might have done, and actually did do. Had the American demand for metallic money been divided between the two metals, it is morally certain that gold and silver would never have materially departed from the legal ratio, for aside from the steadying effect of our coinage, it is probable that the mints of the Latin Union would never have been closed, and we would have no vexing "silver question" to-day.

THE APPRECIATION OF GOLD.

The most careful and thorough of recent investigations have shown that what is usually termed the "depreciation of silver" is in reality an appreciation of gold. The evidence laid before the royal commission appointed to inquire into the causes which had led to the divergence in the relative value of gold and silver, conclusively showed that in silver standard countries the silver coin had lost none of its purchasing power. That the East Indian rupee would purchase substantially the same amount of wheat, cotton, and other staple commodities, as it would in 1873, notwithstanding the fact, that *measured in gold* the rupee had greatly fallen in value. In other words the rupee, a silver coin, would buy as much of everything *except gold*, as in the former year.

Mr. Barbour and Mr. Waterfield, both then or formerly, financial secretaries of India, and every other witness familiar with East Indian affairs, stated this fact positively, and it was denied by nobody. (Evidence of the same character was presented to this committee, and it was gainsaid by no one.)

In gold-using countries it was shown that the gold price of silver had fallen in nearly the same proportion as the gold prices of commodities in general.

Professor Sauerbech stated that in the United States wholesale prices had fallen 29 per cent. The lowest bullion value of the silver dollar up to that date (December, 1886) was 71 cents and 1 mill, showing almost exactly the same decline.

The tables of Dr. Soetbeer showed a decline of prices amounting to 26 per cent. The Economist Index numbers also 26 per cent. The Hamburg tables $33\frac{1}{2}$ per cent. Those of Palgrave 30 per cent.; of Robert Giffen 37, and of Sauerbech 30.

A fair average of these tables shows a general fall of about 30 per cent., and this is the figure accepted by Mr. David A. Wells in his work on "Recent Economic Changes." If commodities, measured in gold, had fallen 30 per cent., and silver, measured in gold had fallen 30 per cent., we submit that it is as plain as light that the purchasing power of silver had remained perfectly constant. In his statement before the committee Mr. Edward Atkinson took the position that silver was a variable standard while gold was unvarying, and the following colloquy occurred:

Representative BARTINE. Do you think silver is more variable than gold?

Mr. ATKINSON. I do.

Representative BARTINE. Why?

GOLD AN INTERNATIONAL STANDARD.

Mr. ATKINSON. Because it is so the world over. By natural selection gold has become the standard of the commercial world; you can not alter it. There is no legal tender in international commerce which could affect or control international com-

merce. All our foreign trade is therefore based on a gold standard because it is the safe standard. You want to know why or how that affects us; it is because the price of every important article that is made or raised in this country depends upon what the excess will bring in gold for export. You can not displace the gold standard except as to a domestic transaction and all domestic commerce is tied to the gold standard by the force of the surplus, especially of grain, cotton, and tobacco.

The most of the answer is wholly irresponsible to the question, as nearly all of his answers were. But as nearly as can be gathered from his language, he thinks gold invariable because it has been selected by the commercial world as "the standard." Upon the same principle he might, with equal propriety, have argued that if the commercial world should select a unit of length made of india rubber, such selection would prevent the rubber from stretching.

STABILITY OF SILVER.

The evidence is simply conclusive that while silver has remained practically stable in its purchasing power, gold has shot upward between 40 and 50 per cent.

"Oh, no!" it is exclaimed, "that can not be. Gold can not change. Its value is intrinsic. It is always worth just 100 cents. The other things have gone down, that is all."

But this is either a mere haggling with words, or it shows a dense ignorance of first principles. When we say that commodities have fallen 30 per cent., by that very expression we state the fact that gold has risen 43. That is to say, it will buy 43 per cent. more.

The value of anything is what it will exchange for, and when the purchasing power of a dollar is increased to 143 cents, it constitutes the very essence of a 143 per cent. dollar. Such a dollar is not an "honest dollar" by any code of morals extant.

THE EVIL OF AN APPRECIATING STANDARD.

It is claimed by many advocates of the gold standard that an increase in the purchasing power of money is an advantage to the "poor man," because he can buy more with the dollar that he earns; and we are pathetically implored not to scale down the "poor man's dollar" to 80 cents. This was the burden of the song of the Fanueil Hall delegation and others who have appeared before the committee. They assumed to speak almost entirely for the day laborer, who had his or her little accumulation on deposit in some savings bank.

From the general tenor of their arguments one might be led to suppose that the millionaire capitalist is in reality the poor man, while the money of the country is virtually owned by the factory hands and servant girls of New York and New England. And yet it is a fact worthy of the most careful consideration, that these workingmen and women were not represented by a single one of their own number and class upon that side of the question.

Almost every man who appeared in opposition to free coinage was a president or other executive officer of some bank, some great insurance company, or other firm, corporation, or association controlling vast aggregations of capital. About the only exceptions to this rule were college professors and lawyers, who appeared rather in the character of special pleaders.

Upon the other hand, it may not be out of place for us to mention the circumstance, by way of contrast, that at the conclusion of Mr. Atkinson's statement, Mr. Dunning, the duly accredited agent of the Knights

of Labor and various other kindred organizations comprising nearly 4,000,000 voters, stepped forward and laid on the table the petition of these toiling millions, praying for the free coinage of silver.

In addition to this, it is proper for us to call attention to the further fact that the great organization known as the Farmers' Alliance has adopted a demand for the free coinage of silver as the cardinal feature of its creed.

THE EFFECT UPON THE WAGEWORKER.

Any arguments based upon the assumed fact that the present condition is favorable to the wageworker, because he can buy more commodities with his daily wage, is utterly fallacious, and fails to reach the heart of the question.

In the first place, it is a well-known fact, that in so far as the downward movement of wages has been checked it has been mainly through labor guilds and combinations. Never has labor been so thoroughly organized as during the last 15 years; and the very fact that workingmen have found it necessary to combine on so gigantic a scale proves conclusively that they fully appreciate the danger of their situation.

Then again, the figures in support of this argument are usually taken from those industries which are thus organized, and no account is made of the miscellaneous, scattered labor which can not readily combine for protection; more than this, the figures are by no means thorough. A few leading commodities are taken as the basis of the entire calculation, while in fact there are many items of expense, in the nature of fixed charges, that have not been reduced at all.

Mr. J. C. Fielding, in testifying on this point before the Royal Silver Commission, stated that upon about two-fifths of the ordinary expenditures of a laboring man, there had been no reduction whatever. That taxes, hotel and restaurant charges, lawyers' and doctors' fees, educational and traveling expenses, and many others remain the same. In short, that out of a total annual expenditure of £950,000,000, about £400,000,000 remained absolutely unchanged. The following extract from his testimony presents the point with wonderful clearness:

Q. You propose to point out to the commission that if there has been a fall of prices, or assuming that if there has been a fall in prices, only a portion of the benefit of that fall is enjoyed by the working classes?—A. Part of my statement is, that generally speaking, in only about three-fifths of the total annual expenditure has there been any fall whatever. For instance, I can enumerate certain items, upon which it is quite clear that there has been no fall whatever, but in some cases a rise, such as the cost of the Government and local taxation. There is no fall in the expenditure upon drinks, tobacco, temperance beverages, the food vended through hotels, public houses, restaurants, etc., railway charges for passenger traffic, the cost of supplying water to the community, and I may as well also say, the expenditure in the way of contributions to friendly societies, clubs, and unions of various kinds, the fees, of doctors, lawyers, and the clergy; I may also say that the cost of education has increased, and the daily and weekly press are issued at standard prices. All these items constitute an expenditure, which, when examined, will be found to amount to at least £400,000,000 a year.

Q. Now, can you give us any idea of the way in which you make up this £400,000,000?—A. The cost of governing the country is about £90,000,000, and the local expenditure is £63,000,000, but I only take about £40,000,000 for these two items, and I wish here to observe that it is a very curious thing that the cost of the Government has absolutely increased per head of the population, while all these commodities have been cheapening, and it seems to me that the Government is about the largest purchaser and a cash purchaser, and they have not been able to effect this economy which the working classes are expected to effect. The expenditure on alcoholic drinks is estimated at £120,000,000 a year (it was £140,000,000 twelve years ago), while the expense on tobacco is, at least, £8,000,000 a year. I estimate all other liquids supplied through the hotels and public houses of the country in the form of tea, coffee, various kinds of waters, at £30,000,000 a year.

I venture to say from a very great experience that these items tend to increase in price. The passenger traffic on the railways is £32,000,000 a year. I suppose we pay a penny a mile as usual as third-class passengers. The latest returns I could get is that of 1884, which gives £30,000,000, and I estimate £2,000,000 of an increase since then; the only object I have in putting forward these figures, is simply to show that there is a very large number of charges that have not been affected by the fall of prices, as far as regards the actual payments. It may be that there is increased comfort.

For instance, take education. That is another item. There may be better education, but it costs more money to the working people. I will take the press. I think a fair estimate of the expenditure on what you may call the periodical press, the half-penny and penny daily press and weekly newspapers—is £20,000,000, and the prices are practically fixtures.

As regards the payments to sick and friendly societies, and to trades unions, these items, I think I may fairly put down at £15,000,000, nearly a twentieth of the income of the working classes. There is a very much larger contribution being made now throughout the country to support the unemployed. It is impossible to give anything like an exact estimate of the other charges named, but they must amount to a considerable sum. I took it roundly that £400,000,000 of expenditures had not changed, as far as actual payments were concerned, notwithstanding the great fall in prices since 1874, and I think, of course, by these items it can be, and is, easily shown.

Furthermore, the rate of wages paid is an unsafe criterion, unless it be considered in connection with the number of the unemployed. Everybody knows from personal observation that while labor organizations have the effect of keeping up the wage rate, they also tend to keep some men out of work altogether. When an employer finds his salable product falling in price, he naturally seeks to curtail his expenses.

If unable to reduce wages by reason of labor organizations or any other cause he will endeavor to economize in some other way. Work that is merely in the nature of improvement, or collateral to the main enterprise, and which promises no immediate return, he will leave undone until the advent of better times. This involves a reduction of the working force. In some cases it takes the form of an actual discharge, in others a reduction of working time.

It is difficult to compute the number of the unemployed, or the amount of time lost; but we do know that during the last 17 or 18 years an unusually large number of men have been out of employment, both in Europe and America, and that the cry of hard times has been heard almost continuously throughout the whole civilized world.

Hence, the effect of an appreciating standard of value can never be determined by considering merely the quantity of commodities which the laboring man *who happens to have work* can buy with his dollar *when he gets it*. We must strike deeper into the subject than that.

THE GENERAL CONDITION OF BUSINESS IS THE TRUE TEST.

It will be admitted by everybody that the laboring classes, as a whole, can not be permanently prosperous in the face of general business depression. It will also be admitted, we presume, that the period extending from 1873 down to the present time has been one of very unusual depression all over the commercial world. This fact has been adverted to by many eminent authorities, and we regret to observe that the United States stands second only to Great Britain in the severity with which it has been affected.

CAUSE OF DEPRESSION.

Many explanations of these phenomena have been offered, but none seems so satisfactory to us as the fact that the year 1873 witnessed a complete revolution of the monetary systems of Europe and America.

The virtual destruction of one of the two great money metals necessarily threw an additional burthen on the other, thereby enhancing its value.

A rise in the value of money is calculated to produce business depression mainly in this way: An enormous proportion of the world's business is done with borrowed money; exactly how much no man can tell. The report of the Comptroller of the Currency shows that the aggregate loans of the national banks on October 2, 1890, amounted to \$1,970,000,000, and of State banks to \$1,900,000,000, making in round figures nearly 4 billions in all. Even this enormous sum probably represents but a small proportional part of the actual loans existing in this country. In the very nature of things the loan of a sum of money must precede the repayment by a longer or shorter interval of time.

Therefore if money is rising in value the borrower always has to pay back dollars more valuable than those which he received. Every man who is engaged in a productive industry must meet his payments out of the commodities which he produces. If a dollar becomes more valuable, that simply means that it takes more commodities to equal it. If a farmer owes \$1,000 and wheat stands at a dollar a bushel, he can pay the debt with 1,000 bushels; but if the wheat falls to 70 cents he must sell 1,430 bushels in order to meet the obligation. If wheat had remained at \$1 and by some chicanery the figures on the mortgage has been raised to \$1,430, the outrage would be so glaring as to be apparent to everybody at a glance.

But the effect upon the farmer would be precisely the same. In each case he must turn over 430 extra bushels of wheat. And so with every other commodity and with every business undertaking in which the relation of debtor and creditor exists. As long ago as 1879, when these phenomena first began to appear, Robert Giffen distinctly recognized the depressing and disastrous effects of a general fall in prices, as the following language plainly indicates:

There is a general agreement that during the last few years there has been a heavy fall in prices. The fall in cotton and iron and the various manufactures in cotton and iron is notorious, and for the rest, the losses in trade in almost every description of business has been such as to leave no doubt of a fall in price. It is usually a fall in price which cripples the weaker borrowers and causes bad debts, and this makes a beginning of losses by which the stronger borrowers are in turn crippled, farther fall in prices ensues, and more bad debts and losses are produced. When we see so many failures as are now declared, therefore, we may be quite sure that they are preceded and accompanied by a heavy fall in prices.

But the question for statisticians in such matter is not the fact of a general fall, but whether it can be measured and compared with other facts of a similar kind and whether there is anything to show the fall to be of a more or less permanent character and not merely a temporary fluctuation which will be corrected by an immediate rebound; in other words, whether the average of 2 or 3 years, including the present, will or will not exhibit a decline when a comparison is made with a date 2 or 3 years back.

Looking at the matter in this more definite way, I have come to the conclusion that not only is there a decline of prices at the present time from the high level established a few years ago, but that this decline is more serious than the downward fluctuation of prices usually exhibited in dull times, and that it may be partly of a permanent character unless some great change in the condition of business should occur at an early date. I think this can be shown without difficulty with the help of some well-known figures which have been published lately, and which I propose to analyze and sum up, after which I shall proceed to discuss the causes of this apparently serious decline of prices and some of the probable consequences.

We quote thus from Mr Giffin, not because we regard him as better authority than others who have commented on these unfavorable conditions, but because he is an avowed opponent of silver and he would not be likely to overstate the evils of an appreciating standard in the

interest of the cause which we believe to be just. We could multiply authorities, quoting *in extenso* from our opponents, but we deem it unnecessary to do so.

Upon this point we will add further that not only must a debt be paid out of the commodities produced, but it must be out of what would otherwise be the profit of the undertaking. Every man who engages in business does so in the hope of improving his fortune. The expenses must be paid in any event, and if the profit is all absorbed by the insatiable creditor the enterprise must wither and die. No man will put his time, labor, energy, and intelligence into business unless there is some probability of his being able to, at least, share in the profit. He first tries to reduce his expenses; this presses on others. If he fail to bring the expenses down to a point that will leave him some profit he winds up the concern, and employer and employés are all out of business together.

It is probable that comparatively few existing private contracts were made as long ago as 1873; but that does not affect the principle. If every man had to repay borrowed money at an advance of 43 per cent., the business of the country could not live for a single year. But from 1873 to 1887 the average annual rise was about 3 per cent., so that the man who borrowed money at 6 per cent. and paid it in 1 year in effect paid 9 per cent., with an additional 3 per cent. for each succeeding year that the payment was deferred. It is impossible for business to prosper under such conditions.

OVERPRODUCTION.

It is claimed, though, that this unfavorable condition is the result of overproduction, caused by mechanical improvements, better facilities for transportation, the opening up of large areas of new lands, etc. The correctness of this position has never been proved, and rests upon the basis of mere assumption. All of those causes were at work long prior to 1873, and it is a little singular that the line should be drawn so sharply at that year. It is furthermore a strange contention that distress should be brought upon mankind by an increased production of the very things that are the most essential for the comfort and happiness of the human family.

We may concede, that since 1873, there has been a large increase in the production of the great staples of commerce; but whatever the increase may have been, these commodities have all been consumed. There is no accumulated surplus of wheat, or cotton or any other leading staple. Then why have prices so fallen that the equity of time contracts has been completely destroyed? There can be but one answer. Money, the standard by which the value of all other property is measured, has not increased pro rata. No matter what the increase of production may be, if the volume of money keep pace with that increase, prices will remain substantially the same, and no principle of natural justice will be violated.

We recognize the fact that a marked improvement in machinery, or method of manufacture, may greatly cheapen a particular product; but in such cases the aggregate value of the product will be largely increased, so that profits may remain healthful and encouraging. The anomaly, however, of the existing condition is that in many cases where no increased facility of production is observable, the aggregate value is much less than that of the smaller volume of former years.

For example, it has been shown that while the volume of Great

Britain's commerce very largely increased between the years 1873 and 1887, the total value of the exports and imports was considerably less during the latter year than in the former. The question then naturally suggests itself—why should the producer be required to content himself with the same or a smaller amount of money, and the benefit of the increased production all go to the man who happens to have the dollars? It will be admitted at once that if one-half of the money of the world were thrown into the sea, the value of each remaining unit would be largely increased, to the great and unconscionable advantage, particularly, of those who control it in vast sums. If the money should remain stationary while other property is doubled, the result would be the same.

STANDARDS OF LENGTH, ETC.

Why is it that governments exercise such extreme care in fixing uniform standards of length and bulk and weight? It is to prevent cheating and to preserve equities in the transfer of goods and property from one person to another. But if it is necessary for the Government to so sacredly guard the integrity of the bushel, the pound, or the yard, each of which measures only certain kinds of commodities or property, how much more important it is that the integrity of the "dollar" should be preserved, which measures all other property of every kind and character. "Why, it is so maintained," exclaim our opponents. "The gold dollar always contains just $25\frac{8}{10}$ grains of standard gold." Very true; but the weight of the dollar is only essential in fixing its value, and if the value is increased 40 per cent. it is precisely the same thing so far as its purchasing power is concerned, as if 40 per cent. were added to its weight.

THE QUANTITATIVE THEORY.

It is very strongly argued by monometallists that the quantity of money is a matter of little or no concern. That credit is the prime factor in the transaction of business and in sustaining prices, and so long as the "quality" of the money is good credit will never fail. Mr. Atkinson and Professor Taussig in their arguments before the committee both took this position, claiming that gold is the metal which possesses "quality" in a preëminent degree.

A sufficient answer to this argument is the bare suggestion that since 1873 the quality of gold has been just as good as it ever was before, and in proportion to its quantity quite as capable of sustaining credit, and yet prices have so utterly collapsed that one long cry of distress has gone up from the entire commercial world. The former of these two gentlemen, when so positively declaring that the quality only of money was to be considered, was asked the question whether a bank with a cash reserve of \$100,000 could extend as much credit as another bank, in like condition, with a cash reserve of \$1,000,000. After considerable evasion he was finally compelled to admit that, other conditions being equal, each required the same relative amount of cash reserve.

By this admission, although he was apparently unconscious of the fact, he virtually conceded the soundness of our contention, that prices depend upon the volume of money. To say that credit sustains prices and that money sustains credit, at the same time denying that money sustains prices, is about as sensible as to say that the foundation of a house supports the first story but not the second. Credit is a super-

structure built upon the basis of primary money, and it does not admit of discussion that the broader the base the more credit it will sustain.

The vast and complicated system of credit now in existence frequently has the effect of concealing the scarcity of money, and therefore prices are not so immediately and directly affected by a change in the quantity of money as they would be if money and goods were always pitted against each other without the intervention of credit. But the principle must hold good that in general, a larger volume of money will sustain a larger volume of credit, and in that way sustain a larger volume of business and preserve a better range of prices. Nor should the fact be overlooked that a measure of value differs radically in principle from a measure of anything else.

A yardstick, for example, is merely a standard of comparison, designed to aid the eye in determining the precise length of a piece of cloth. Considering it simply as a yardstick it is wholly immaterial whether it is made of gold, or iron, or wood, because its sole office is to ascertain a given and definite length. The "dollar," however, not only determines the value of a given commodity, but actually *exchanges* for it.

Hence while the number of yardsticks is a matter of small concern, the number of dollars is of vital importance. Money, by reason of its legal-tender functions, is one of the most desirable forms in which property can be held; and it gives its possessors almost unlimited control over the property and the services of their fellow men. It necessarily follows that the more the dollars are limited in number the greater must be the value of each dollar, and the greater the relative wealth and power of its fortunate possessor.

The importance of holding the value of money as nearly as possible at a fixed ratio with other things is greatly increased by the fact that the tendency of modern business methods is to concentrate vast sums in the hands of a few individuals. Firms and syndicates, corporations, and trusts are being formed for every conceivable purpose. A very few of these great combines can virtually control the entire money supply of the United States, and those who hold the purse strings of a nation have the people at their mercy.

We do not care to discuss this phase of the question further. It ought to be apparent to everybody that the value of money like that of anything else, must depend upon supply and demand. The supply being diminished the value of each remaining unit must be increased. The demonetization of silver cut off a part of the natural increase. It reduced a large amount of such coin already existing to the grade of "token money," and while it continued to do what Mr. Atkinson disdainfully calls "wheelbarrow work," it in a large measure lost its position as a supporter of credit and in that way it was deprived of its most important function.

COMPETITION OF SILVER-USING COUNTRIES.

By no means the least serious feature of the general fall in prices is the competition to which we are subjected at the hands of silver-using countries in the European market. The injurious effect of this competition is recognized by all, but it is claimed that this is chiefly owing to the construction of the Suez Canal and railroad building in India and Russia, bringing them into close connection with the market. Possibly this has had some influence, but it as an unsafe basis of calculation, because the precise effect of a canal or railroad upon prices can never

be ascertained. There are too many extraneous and collateral conditions entering into such a calculation. But when we are confronted by the fact that in London, silver is at a discount of 30 per cent., while the East India rupee will buy the same amount of wheat at Calcutta as formerly, then we have a simple question of arithmetic that proves itself.

Under that state of facts a merchant can buy silver rupees; with his rupees he can buy wheat in India, and he is 30 per cent. ahead on that transaction. He brings his wheat to England, where it comes into competition with English and American wheat. The market becomes overstocked and down goes the price. But the price must fall 30 per cent. before the importer from India loses anything, for he has a clear advantage of that percentage to begin with.

It is as plain as day that the fall of the gold price of silver, coupled with the further fact that the rupee will buy as much wheat at Calcutta, is sufficient to account for at least 30 per cent. in the price of American wheat at London, leaving railroads and canals entirely out of consideration. But the general scramble to sell, resulting from these conditions, would probably force it down considerably lower; and, as a matter of fact, it fell from 58s. a quarter in 1873 to 30s. in 1887—nearly 50 per cent. This is a much simpler, more reasonable and satisfactory explanation of the decline than any plunge into the uncertain domain of theory and speculation concerning the probable effects of railroad building.

Hence it will be seen that silver demonetization in its effects extends far beyond the naked fact that it destroys a large proportion of the money of the world; and hence again the prime necessity for its complete restoration to its former value, aside from any question of an enlargement of the currency.

CONTRADICTORY LOGIC.

While there can be no doubt that there is in certain quarters a strong opposition to the free coinage of silver, it is by no means an easy matter for us to determine the exact grounds of the opposition. In one breath it is declared that under free coinage the Government will be obliged to pay the silver miner a full dollar for 80 cents' worth of silver; in the next it is asserted that the effect will be to degrade our currency to the basis of 80-cent silver dollars. These two propositions stand directly opposed to each other. The only way by which the silver miner can get a dollar for 80 cents' worth of silver is by raising his bullion to par, that is to say \$1.29 per ounce. When the bullion is at par, the dollar must also be at par, and the 80-cent dollar which haunts the dreams of our opponents will be a thing of the past.

Again it is declared that free coinage will make the United States a dumping ground for all the cheap silver in the world, and then with singular inconsistency it is argued that gold will rise to a premium, retire from circulation, and we shall find ourselves upon a silver basis, with a currency limited in amount and depreciated in value. These contentions involve some very absurd contradictions. First, they assume an inflation of the currency and a contraction of the currency at the same time; secondly, they assume a depreciated dollar with a shrinking volume of currency, a thing which never occurred in the financial history of the world, and which stands directly opposed to recognized economic principles.

It is just as impossible to diminish the volume of money and thus

depreciate the dollar as it is to reduce the corn crop and thereby cheapen the corn. If there are vast hoards of silver ready to be thrown into America the moment our mints are open, free coinage certainly will not produce contraction. If there are no such hoards then there is nothing to send the gold into retirement, and again the contraction theory fails.

THE FLOOD OF CHEAP SILVER.

This argument never had a shadow of foundation upon which to rest. No man can locate or attempts to locate the whereabouts of any great accumulation of silver, that would be attracted to America by free coinage. It would not come from India, for that country has not half as much as she needs and is all the time grasping for more. It is nonsense to talk about the Hindoos melting down their gods and goddesses. They have worshiped their idols from the remotest antiquity and they regard them with just as much superstitious reverence to-day as they did a thousand years ago. Why did they not melt them down and sell them prior to 1873, when silver was worth \$1.33 an ounce all over the continent of Europe?

It is equally ridiculous to assume that they will part with their coin, for notwithstanding the fact that they have to pay England a tribute of \$60,000,000 annually, they continue to absorb silver at the rate of from \$30,000,000 to \$40,000,000 a year. India has only about \$900,000,000 silver coin,—scarcely \$4 per capita of the population, and no other money. Every student of East India finance recognizes and admits the fact that the abandonment of the silver standard by Hindoostan is scarcely within the limits of possibility. The Hindoos have never done a thing that even gave color to such a thought. The idea that these people, eminently conservative, are suddenly going to reverse the traditions of untold centuries of time, and make a wild rush with their rupees and their deities to the mints of the United States is entirely beneath the dignity of American statesmanship.

The economic impossibility of India unloading upon us is clearly shown by the following extract from "Hyndman's Bankruptcy of India"

Unlike former conquerors of India, we do not live in the country, and as a consequence we take out of it each year more than the people can afford. The total net revenues of India is under £40,000,000 a year. Not less than £20,000,000 worth of agricultural produce—more than the entire net income of the Government derived from the land revenue—is sent out of India every year without any direct commercial equivalent. Just think what this (and it is an underestimate by over 50 per cent.) really means.

It means that year after year, in dearth and in plenty, in drought and in flood, £20,000,000 is taken from perhaps the poorest on the earth to bring to us here in England (or to invest in unremunerative public works); it means that so many millions more are condemned to starvation at the next scarcity; it means that during the 20 years, 1858-1878, £400,000,000 have been so applied. Call this payment for good administration, gloss it over in any way you please, need we look further for the cause of the growing impoverishment of India?

Not a single Englishman would say so if last year, not to speak of years before, £67,000,000, the agricultural rent of the country, had been sent hence to the Continent for nothing. Yet £67,000,000 to England is literally a flea bite compared with what £20,000,000 is to India.

Imagine such a country, fitly described as "bleeding to death" flooding us with silver.

EUROPEAN COIN.

According to the figures of the Director of the Mint, the entire amount of silver coin in the world outside of the United States is only \$3,338,500,000, and of this considerable more than one-half is in India,

China, Japan and the Straits, where it is as completely buried as if it was thrown into the sea. The aggregate amount in Europe is \$1,482,400,000—roughly speaking, \$4 per capita for that Continent, and of this nearly one-half is held by France. The following table shows the exact figures, and also the coinage ratios of the different countries.

Table showing the estimated stock of silver held by foreign countries, the statement of each, and the ratio of gold to silver in coinage.

Countries.	Full legal tender.	Limited tender.	Total.	Standard.	Ratio of full legal-tender silver to gold.	Ratio of limited tender silver to gold.
United Kingdom.....		\$100,000,000	\$100,000,000	Gold.....		1- 1428
France.....	\$650,000,000	50,000,000	700,000,000	Bimetallic ..	1-155	1- 1438
Germany	102,000,000	43,000,000	145,000,000	Gold.....		1-13957
Belgium	48,400,000	6,600,000	55,000,000	Bimetallic ..	1-155	1- 1438
Italy.....	25,800,000	34,200,000	60,000,000	do	1-155	1- 1438
Switzerland	11,400,000	3,600,000	15,000,000	do	1-155	1- 1438
Greece.....	1,800,000	2,200,000	4,000,000	do	1-155	1- 1438
Spain.....	90,000,000	35,000,000	125,000,000	do	1-155	1- 1438
Portugal.....		10,000,000	10,000,000	Gold.....		1- 1408
Austria-Hungary.....	90,000,000		90,000,000	Silver.....	1-153	
Netherlands	61,800,000	3,200,000	65,000,000	Bimetallic ..	1-155	1- 15
Scandinavian Union.....		10,000,000	10,000,000	Gold.....		1- 1488
Russia.....	22,000,000	38,000,000	60,000,000	Silver.....	1-155	1- 15
Turkey.....		45,000,000	45,000,000	Gold.....		1- 151
Australia.....		7,000,000	7,000,000	do		1- 1428
Egypt.....		15,000,000	15,000,000	do		1- 1568
Mexico	50,000,000		50,000,000	Silver.....	1-165	
Central American States ..	500,000		500,000	do	1-155	
South America	25,000,000		25,000,000	do	1-155	
Japan	50,000,000		50,000,000	Bimetallic ..	1-1618	
India.....	900,000,000		900,000,000	do	1-15	
China.....	700,000,000		700,000,000	do		
The Straits	100,000,000		100,000,000	do		
Canada.....		5,000,000	5,000,000	Gold.....		1- 1495
Cuba, Hayti, etc	1,200,000	800,000	2,000,000	Bimetallic ..	1-155*	
Total	2,929,900,000	408,600,000	3,338,500,000			

* Hayti.

These are the figures upon which the late Secretary based his last speech. With all respect for the dead, of whom we would speak with the utmost tenderness, we feel constrained to say that they entirely fail to bear out his conclusions. It signifies nothing to say that there is so much coin in Europe. The question is how much of it will come here. A glance at the table will show that no European state can dispense with any considerable amount of silver coin. Germany long ago sold all that she could spare. France has none; Italy has none; Spain has none; Austria has none, and Russia has none.

A further glance at this table will show that in Europe the coinage rates range from a little less than 14 to 1 to 15½ to 1, so that, to convert European silver coin into ours at 16 to 1 would involve a loss of from 3 to 12 per cent. Stated in terms of American money, this means a dead loss of \$33,000,000 upon the full legal-tender coin alone. This is upon the assumption that under free coinage the American dollar remains at par. Should it fail to do so the loss by exchange would be still greater.

MOVEMENTS OF THE PRECIOUS METALS.

It must be remembered that the trend of commercial currents is far more potent in controlling the movements of the precious metals than mere coining ratios. Why does not all the silver in the world go to

Mexico for coinage? Simply because there is nothing in that country to attract it. Why does it not go to India, where the coinage ratio is nearly 7 per cent. higher than ours and where its purchasing power has been fully preserved? Because India can get no more of it than is necessary to pay her the balance due after her obligations to England are liquidated.

Prior to 1873 we coined both gold and silver free at the ratio of 16 to 1. At the American mint an ounce of gold was equivalent to 16 ounces of silver, while in Europe it was only equal to 15½. If, then, free coinage is going to flood the country with cheap silver, why were we not formerly flooded with cheap gold? The answer comes as naturally as water flowing over a dam. The balance of trade was adverse, and as a result, so far from being flooded with gold from any other country, we could not even keep the product of our own mines.

On the other hand, France coined gold at a valuation 3 per cent. lower than we gave it, and yet from 1860 to 1871, inclusive, her coinage of that metal exceeded ours by \$130,000,000. It amounted to about \$510,000,000, and, what is more important, she not only coined it, but she kept it, or at any rate the most of it, for, while our exports of gold amounted to \$417,000,000 more than our imports, France imported about \$365,000,000 more gold than she exported, which tends strongly to prove that the precious metals, like anything else, will go where the demand for them is greatest, and this almost without regard to coining ratio.

It is no doubt true that, other conditions being equal, either metal will go where its coining value is the greatest; but other conditions are not, never have been, and probably never will be equal, and the rule must therefore be accepted with much of reservation.

THE GRESHAM LAW,

which is so frequently invoked, touches this question but very remotely, if at all. Sir Thomas Gresham was not dealing with bimetalism or anything at all like it when he laid down his famous maxim. He was considering merely the vitiated coinage of England.

It had been observed that a large proportion of the coins of that country were clipped, abraded, and below the legal weight. Investigation disclosed the cause, which was a very simple one. When coins were to be shipped abroad new ones were selected, because, being heavier, their bullion value was greater and in foreign countries they were not current coin. So when a smith found it necessary to melt down coins in his business he chose the heavy ones, because he thereby obtained a greater amount of gold or silver.

From these facts Gresham laid down the rule that bad money drives the good out of circulation; and in a loose way this law is appealed to every time free coinage is mentioned. It is insisted that the "cheap silver will drive out the precious gold."

But this is assuming the very point in dispute, and the difference between the two cases can be seen at a glance. A clipped and abraded coin under legal weight is also under legal value even in the country of its issue, although from custom it will circulate and pass current almost indefinitely.

But where "simple bullion" is needed obviously the exchange of a light coin for a heavy one or the use of a heavy one instead of a light one is a positive advantage equal to the difference in weight. There

is at all times an inducement to make the exchange. The motive is apparent upon the face of every transaction.

But no person who has appeared before the committee has been able to show how, under free coinage, the Gresham law could deprive us of our gold. Men never do anything without a motive. It is admitted by every person familiar with the subject that silver bullion is of substantially the same value in all the commercial centers of the world. Therefore, if silver should* rise to 1.29 in New York, the same price would obtain in London. Hence there would be no profit in sending gold to London to buy silver, for it would cost as much there as it would be worth here. If, on the other hand, the bullion remain at a discount, the depreciation of the dollar must be the same, because the bullion being convertible into coin, they must be of the same value. This depreciation would manifest itself in a diminished purchasing power, and nothing would be gained by purchasing depreciated bullion which could only be converted into equally depreciated coin.

It may be said that this depreciated coin (supposing it to exist) would be available for the payment of debts; but it is hardly to be supposed that the debtors of the country would or could enter into a general scheme of gathering up gold, exchanging that for silver, and thus meeting their obligations. Such a course, if resorted to, would create a demand for silver that would inevitably send it to par at an early day. But the fact is that, primarily, whatever silver might reach us from abroad, must come in the course of trade, and, as we have shown, there could be no motive in making the exchange.

Even should a portion of our gold be displaced we think that the evil to result has been greatly exaggerated. We can not be deprived of our gold without getting a full equivalent for it. A thousand gold dollars' worth of silver is just as valuable as a thousand gold dollars' worth of gold. Should such an exchange be made we would be no poorer, and the country would have the same basis for a paper currency as before.

PAPER MONEY.

But it is said "depreciated paper money always drives out gold."

This is not a parallel case. Paper is not primary money at all. It is merely a substitute, and it is not to be supposed that the principal and the substitute will both be in circulation at the same time.

Wherever we find a depreciated paper currency we will always find that the paper money was created by the Government because it had no gold or silver, or, if any, a wholly inadequate supply. Is it a fair thing to say that the greenbacks drove gold and silver out of circulation in this country?

Everybody ought to know that at the outbreak of our civil war there was virtually no gold or silver in the country. Specie payments were universally suspended, and the Treasury was as empty as if it had been swept by a tornado.

It was to supply the deficiency that the greenbacks were issued. So that instead of the paper forcing gold out of circulation, it was the scarcity of gold that forced the paper into circulation; and then this same scarcity had the further effect of causing the paper to depreciate.

In no conceivable aspect of this question do we recognize the propriety of comparing paper with silver any more than with gold. We frequently hear it said that we might just as well have free coinage of paper as of silver, the difference being only one of degree. Those who use this argument seem to be oblivious of the fact that questions of de-

gree are of the very essence of the whole science of money. We are now carrying \$500,000,000 in paper and every dollar is at par. But if we were to attempt to float \$500,000,000,000, the result would be depreciation, repudiation and an utter collapse of national credit. And yet it is only a question of degree.

The annual product of silver is about 125,000,000 ounces. If it were 125,000,000 tons, silver would no longer be a precious metal, and its free coinage would never be thought of. Still, the illustration only presents another question of degree.

Many more examples might be given, but these will suffice.

The value of paper money rests solely upon the idea of redemption.

The supply is practically unlimited, for it is as easy to make a bill for \$10,000 as one for a single dollar, the only difference being in the words and figures which it bears.

The old Continental money depreciated because the issues outran the capacity of its creator for redemption; and when the government which created it passed out of existence, it became a mere cabinet curiosity. Our greenbacks depreciated because we were engaged in a great civil war and it was uncertain whether the Government would live through the storm, and no one could tell to what length it might be driven by the exigencies of war, in the issuance of paper. The French assignats were issued upon the basis of confiscated church lands; but they fell as flat and worthless as our Continental money.

It may not be out of place for us to remark in this connection, by way of contrast, that the country which was not able to maintain the assignats at any value never had the slightest trouble in holding silver absolutely at par; and in dismissing this branch of the subject we will simply invite attention to the fact that while the pages of history are laden with instances of ruin wrought by paper inflation, we fail to find one in which any country or state has ever been injured by a superabundance of silver.

HOARDING.

Now a word as to hoarding. Gold will certainly not be hoarded to any considerable extent, unless there is something to be gained by it. A miser will, of course, cling to every dollar and hide it away through fear of losing it, but we can not frame our legislation with reference to the idiosyncrasies of that unhappy class of people. As we have already suggested, the hoarding of gold would diminish the volume of money in actual circulation. This would increase the demand for currency and necessarily enhance its value. The natural result would be to bring back the gold into circulation, for there are few persons who will hoard any kind of money in the face of a promising investment.

We believe that this talk of "hoarding" is merely "a cunning device of the enemy." We always hear it when silver legislation is proposed. But suppose it be true, does that prove free coinage to be a bad thing? Certainly not. It only indicates that there are persons who think it is a bad thing. Of course all people can not think alike. Many believed that the McKinley bill was a "bad thing;" others looked upon the elections bill as a "bad thing;" still others regarded the shipping bill as a "bad thing;" and it is impossible to recall a single measure of any importance ever before the American Congress that was not denounced by some party or some faction as bad or dangerous legislation. But we can not stop legislating on that account.

These people who are so mortally afraid of free coinage may be right,

but it is worthy of note that for 15 years they have been filling the air with their lamentations over the coinage of silver, and that every danger which they have professed to see has proved as shadowy and unsubstantial as the "Specter of Brocken". So many failures ought to make them a little doubtful as to their inspiration, and at least a little more oracular in their utterances. They ought to couch their predictions in ambiguous phrase so that whatever the outcome they can claim fulfillment.

BANKS WILL CONTRACT FOR GOLD.

In direct contradiction of the idea of hoarding, it is argued that under the free coinage of silver the banks would make their contracts payable in gold. Such a course would keep gold in circulation and prevent us from ever reaching a silver basis. Some of the opponents of silver claim that such contracts will be made, while others declare that the banks must do business in the currency of the country. But in either event, we do not look upon it as a matter of very much concern. Under any system of finance the banks will probably do as they always have done, that is, look out for their own interests to the best of their ability. If they contract for gold, that will keep gold in circulation; if they use the currency of the country, that will help sustain the currency. As we have no means of knowing what they will do, and our opponents are divided upon the point, we shall have to let them fight it out among themselves.

AFFECTING VALUES BY LEGISLATION.

It is constantly insisted that the value of gold and silver is wholly independent of legislation; that the Government stamp can add nothing to the value of a metal; that value can not be increased by "fiat," etc. These are all different forms of the same argument, and it is vicious in this: That it entirely misrepresents our position. No man who possesses even an elementary knowledge of economics will claim that the value of silver or anything else can be affected by mere "fiat."

If a law were to be passed declaring that 412½ grains of standard silver should be worth as much as a gold dollar, and stop there, that would be "fiat," and it would have no more effect than the wind that blows. In 1811, when specie payments were suspended in England, the House of Commons adopted a resolution declaring that Bank of England notes "have hitherto been and are at this time held in public estimation to be equivalent to the legal coin of the realm, and generally accepted as such in all pecuniary transactions to which such coin is lawfully applicable." At that very moment those notes were at a discount of from 15 to 20 per cent.

The effect of the resolution can be readily imagined. It might just as well have declared them to be at a premium of 1,000 per cent. It was mere "fiat." But if the law which prohibited the redemption of the notes had been repealed, or they had been made legal tender, which they were not, or anything else had been done which tended to strengthen their credit or enlarge their use, such action would have been a very different thing. So with silver. Its remonetization involves much more than a high-sounding pronouncement of value.

The Government declares that 412½ grains of standard silver shall constitute a dollar; that this dollar shall be a legal tender for all debts public and private, and that whoever has the bullion may have it con-

verted into coin free of charge. In short the bullion is given a *use* that was formerly denied it, and this additional use gives it an enhanced value. Consider for a moment how the principle operates. The dollar is at par; but, the bullion is at a discount. Why? Because the bullion is not a solvent of debt, while the dollar is. If all the bullion went direct to the mint, obviously there would be no such thing as a bullion market. There could be no silver quotations, and a discount would be impossible.

But it does not go direct to the mint, and a portion of it can not go there at all. Primarily the entire mass is thrown upon the market, sold as a mere commodity, and the surplus, which it is known can not be converted into coin, fixes the quotations at which the value of the whole is estimated. But this is a misleading estimate. Every ounce of American silver coin and bullion in the Treasury is worth 1.29. Every piece of European or Asiatic coin is either at an absolute parity with gold, or so fixed in its situs and use that it has no bearing upon the market price.

The silver which is in the form of jewelry and plate is worth vastly more because of the artistic labor that is commingled with it. Even the crude, surplus bullion upon which the market quotations are based could not all be purchased at once at the market price. A purchase of 15,000,000 ounces at New York in a lump would probably raise the price to nearly 1.29. But the fact that some of it *can not be sold* at all, makes it possible to buy every ounce a little at a time at what we call the market price.

The fact that there is a surplus continually pressing upon the market and quoted at figures considerably below the coining rate, is the circumstance that beclouds and confuses this entire question.

THE GOVERNMENT STAMP.

So with the Government stamp. The mechanical work of dividing the metal into pieces and stamping a certain design upon them is not even an element in the real question. That is merely intended for its convenient use. The "trade dollar" bears the Government stamp, is of the same fineness and is $7\frac{1}{2}$ grains heavier than the standard dollar, but it is worth 18 or 20 cents less. Why is that? Because it is only a piece of bullion, while the standard dollar is *money*.

The stamp upon the latter is the Government certificate that the piece is of the requisite weight and fineness, and that it has been endowed by the law with the quality of being a tender for debt.

GOLD BULLION WORTH JUST AS MUCH AS GOLD COIN.

The claim that the value of gold can not be affected by legislation seems to rest upon the fact that the bullion is worth just as much as the coin.

This is a most illogical conclusion, because when the bullion can be converted into coin free of charge no man will part with it for anything below its coin value unless he be gone daft.

But if a charge were imposed upon the coinage, would the bullion be worth as much as the coin? Plainly not.

It is amazing that so many intelligent people can not or will not see that the whole scheme of coinage is a simple matter of law. In England the value of gold is said to be £3 17s. 10½d. an ounce. Why? Because by *act of Parliament* the owner of gold bullion can take it to the mint

and have it coined at that rate. It is the coinage law that fixes the nominal value of gold. But prior to 1844 the market price of bullion was, upon an average, about £3 17s. 6d. an ounce, 4½ pence less than the coin. Why was that?

Because the depositor had to wait about 2 months for his coin, which operated as a discount upon the bullion. In speaking of this matter Professor Sumner uses the following language:

The figures above given show the par of the coins, grain for grain, but coins are worth more than bullion, being manufactured—that is, an ounce of gold in coin must buy more goods than an ounce of gold in bullion. The difference is the cost of manufacture. Gallatin says that it took 2 months to coin bullion left at the mint, which involved a loss of 1 per cent. interest. There was no seigniorage or charge for coining. In England there was no seigniorage, and the loss of interest was represented by the difference between the mint-price of bullion—£3 17s. 10½d. per ounce, and the market price, which was then generally £3 17s. 6d.—that is, it cost 4½d to get an ounce coined.

NOTE.—Since 1844 the bank is obliged by law to give its notes at £3 17s. 9d. for all bullion offered, reducing the difference between coin and bullion.

Professor Sumner is an outspoken champion of the single standard, for which reason we quote him. The foregoing extract is from his "History of American Currency." It very clearly shows the difference between gold bullion which was not money, and the coin which was, and it suggests the query:

If a delay of 2 months made a difference of 4½ pence against the bullion and in favor of the coin, how much would the difference have been if the bullion could not have been coined at all?"

In truth, both gold and silver have been artificially supported ever since their use as money began. A large proportion of their value has been owing to the fact that vast amounts have been withdrawn from other avenues of employment and dedicated to monetary use. But this support has been partially withdrawn from silver by the limitations to which it has been subjected, while gold has been given and is now receiving a stronger support than ever. Gold and silver occupying a common field, any restriction placed upon the use of one must, in the nature of things, operate as an additional prop to the other.

ECONOMIC LAWS.

The absurdity, we might almost say the insincerity, of the constant invocation of "economic laws," and the deprecation of legislative interference with silver, is conclusively shown by the fact that many who use it are determined advocates of "protection" the avowed purpose of which is to so regulate values in this country as to guard the American workingmen against European competition.

Both the protectionist and the free-trader must necessarily believe that legislation will affect values. The one favors the policy because it tends to keep the range of prices higher in this country than they are abroad, and the other opposes it for the same reason. If we can affect the value of iron or steel by legislation we can certainly affect the value of gold and silver.

But the fatal error of this appeal to "economic laws" is that it confounds the distinction between things that are natural and those that are artificial. A natural law, as, for example, that which governs the transmission of light or the movements of oceanic currents, operates independently of man. But economic laws apply only to the relations existing among men and must act through human agencies. Separate and apart from the actions of men, an economic law is a mere abstraction.

It is impossible to conceive of such a thing as a law of supply and demand, except through the wants and wishes of mankind. Value, of which we hear so much, is nothing but a measure of the strength of human desire. It is undoubtedly true, as a basic principle, that the price or value of a thing depends upon the supply relative to the demand. Men can not change the abstract principle, but they can change the elements through which it operates. They can increase or diminish the supply and increase or diminish the demand. An article—as a fine painting—may be of priceless value to a civilized man and of no value at all to the untutored savage. All values are mainly artificial, changing with the social condition of men.

The use of gold and silver as money is a purely artificial use, and yet it is the chief element in the value of both.

Therefore the enlargement of the use of silver, or its utilization in a more favorable mode, must necessarily affect its value, and it is a waste of time and labor to argue so plain a proposition with any man who denies it.

WHY NOT PUT A DOLLAR'S WORTH OF SILVER INTO THE DOLLAR?

This question is asked over and over again. It is declared that if we are to have the free coinage of silver at all it ought to be at a ratio approximating the market price. The answer is simple and conclusive to any person who is disposed to be fair. There is a dollar's worth of silver in the dollar now. As we have already shown, considered merely as bullion, it will buy as much of commodities generally as it would when it was nominally above par—and no man has a right to ask anything more than that in our standard coin.

The silver dollar is all right. The trouble is with the gold dollar. The partial demonetization of silver created an increased demand for gold which has boosted the latter up to about 1.40 in its purchasing power. That is what we complain of. And now it is coolly proposed to us that we put enough silver into the dollar to make that also 1.40. Such a concession on our part would be a complete surrender of the vital principle at the bottom of this entire question. Nothing could be more unfair than to first change the ratio by invidious legislation and then change the weight of the silver coin to restore the equivalence.

Instead of giving the relief which we seek, such a course would tend to keep silver permanently at its present price and perpetuate the evil of which we complain. The whole theory of bimetallism is that it links the two metals together and practically holds them there. Hence, if we were to remonetize silver at, say, 20 to 1, it could never rise much above that figure unless other bimetallic nations should resume coinage at a higher valuation.

Silver never failed to sustain itself at 15½ or 16 to 1 when it stood upon an equal plane before the law, and we believe that it will do so again if given a chance.

FREE COINAGE WHEN SILVER IS AT PAR.

Latterly we have been met with the suggestion that there will be no objection to free coinage when silver is at par, but this shows the same confusion of thought. Let us borrow a simple illustration:

Suppose there were two kinds of wheat, red and white. A law is passed prohibiting the making of bread out of the white grain. Would it sell for as much in the market as its more favored rival? And when

the unfortunate farmer, whose lands perchance will produce that grain only, complains of the unjust discrimination, what would be thought of the broad-gauged statesman who would say to him: "Why, my dear sir, your wheat is not worth as much as the other, and consequently you have no right to make bread of it; but restore it to a value equal to that of the other grain and we will then extend to it the same privilege."

How would the farmer proceed to restore the value of a grain which had been "outlawed," so to speak, and maintain its parity with one that could be freely used. How can any two commodities be kept at a parity except by linking them together in some way? This can only be done by free coinage. At all events, that is the way and the only way in which it has been done. We ask for it as a remedy, and we are gravely told that when we have accomplished the result in some other way, the remedy will no longer be withheld.

Every scheme recently brought forward by the opponents of free coinage has had for its avowed purpose the closing of the gap between the two metals, thus paving the way for free coinage. But why, we may ask, have free coinage at any time, unless the principle is a sound one? If some other method is preferable to *bring* the metals together, why is it not also preferable to *hold* them together?

It takes exactly the same economic force to hold an article at a given price as it does to raise it to that price. If silver bullion were worth 129, how would free coinage operate to keep it there? Just in this way: The holder of bullion would take no less because he could at once convert it into coin at that rate. If the bullion were quoted at 1.00, the operation would be precisely the same. The moment the law went into effect, the 100 quotation must cease; the bullion must rise to its coin value, *i. e.*, 129, and then all that free coinage would have to do would be to hold it there. So, when it is conceded that free coinage will preserve the bimetallic par, it carries with it the concession that free coinage is capable of establishing that par.

THE RATIO OF 16 TO 1 WILL KEEP EUROPEAN MINTS FROM OPENING.

This is another oft-repeated argument, but it is utterly devoid of substance. The objection is just as applicable to the existing law. We are now piling away in the Treasury 4,500,000 ounces of silver monthly, every ounce of which must be coined at that ratio if needed for redemption of outstanding paper. It is just as serious a menace to Europe as if it were deposited under the provisions of the accompanying bill.

But in the present condition of things, the ratio of 16 to 1 is about the best that could be adopted. It seems to be very nearly the natural ratio between the two metals, as shown by the relative amount of gold and silver coin in existence, as well as other data. Giving silver a lower valuation than it has in Europe, it would prevent the melting down and recoinage at our mint of any considerable amount of foreign coin, and thus guard us from the "flood of cheap silver" which is to bring ruin upon the country.

The passage of a law for its coinage at that ratio would be notice to all the world that we are determined to maintain and uphold it as money in the full sense of the term, and in our judgment it would have more weight in swaying European sentiment than for us to stand wavering and vacillating and battling with shadows for 50 years to come. No European nation will ever dream of making silver an outcast if we plant it firmly in our monetary system; and when they get

ready to open their mints, as we believe they speedily will, we can either go to their ratio or they can come to ours.

MEXICANIZING THE COUNTRY.

In almost every speech against free coinage we find the stereotyped objection that it will "Mexicanize the country and reduce us to the level of China." We are not prepared to attach any weight to the argument, or even to dignify it by more than a passing notice. A glance at the history of those countries will disclose ample cause for their backward condition without attempting to lay it at the door of silver.

When England adopted the gold standard in 1816 did she *eo instanti* lift herself in the scale of civilization? When in 1857 Germany abandoned gold, did she degrade herself? When silver was quietly dropped out of our coinage in 1873 did it have the slightest effect upon our social status? The question of what kind or kinds of money a country shall use is purely a matter of business; there is no question of sentiment involved. We employ that money which, all things considered, is the best; and that is the best which is the most stable and best preserves equities.

If we are to shun silver because China and India and Mexico use it, upon the same principle we ought to break off commercial relations with those countries. We are in infinitely more danger of social contamination from meeting and mingling with those people in the marts and channels of commerce than we are from the use of the same money metal.

ENGLAND'S POLICY.

All through the hearings before the committee a most determined effort was made to show that for some vague, undefined reason we must be in accord with the financial policy of England. It has been iterated and reiterated that the pound sterling is the international monetary unit everywhere recognized, and that the commercial supremacy of Great Britain is in some way the result of her maintenance of the gold standard. We can neither admit the facts nor the conclusion. In many cases the very men who urge the necessity for such concordance would be horrified at the idea of our adopting her commercial policy. If we can be independent in the matter of commerce, we can certainly afford to be independent in the matter of finance.

It is a well-known historical fact that the commercial supremacy of England long antedates the establishment of the gold standard in 1816. It was largely the result of the discovery of America, which transferred the commercial front of Europe from the Mediterranean to the Atlantic, coupled with the insular position of the country and the maritime taste of the people. Her great naval power made London the commercial center of the world, and the pound sterling came into general use, not because it was better than any other standard, but because it was the monetary unit of the dominant power.

Moreover, the pound sterling is merely a unit of computation, used as a medium through which to reach the currencies of those countries in which the influence of England predominates, and we confess to a sufficient degree of patriotism to be willing to see it supplanted at any time by the American dollar.

We find nothing in the financial system of England which elicits our

especial admiration. It is a vast and complicated system of credit resting upon a very insecure foundation.

The aim of the English financier seems to be to see how many forms of credit he can employ and the extent to which he can use them in order to spread a little money over a wider field. As a result he frequently crosses the line of safety and reaches a point at which credit fails and nothing but actual money will suffice. He fails to meet his payments. He is compelled to suspend. This suspension involves something else, and so on from one to another until financial disaster runs like wildfire through the land.

Even so firm a devotee of the gold standard as Mr. Atkinson, after eulogizing the soundness (?) of England's monetary system, was compelled to admit that the prevalence of commercial panics in that country was owing to the fact that she was doing so large a volume of business upon so *small a basis of cash*.

The French system is the converse of all this. The aim of the Frenchman, above everything else, is to secure safety. Convenience is a secondary consideration. Every method of modern banking is thoroughly understood in France; but back of every certificate of indebtedness lies the solid coin to support it. Commercial panics there are unknown. The Bank of England frequently strains its credit to the uttermost, the Bank of France never does. Resting securely upon its massive reserve of both gold and silver, it bids defiance to every monetary storm that rages around it, able not only to extend a helping hand to the smaller French banks, but even on more occasions than one to come to the relief of its great rival across the English Channel. In truth the financial strength of France is rivaled by that of no other country on the European continent. She has been one of the central figures in nearly every great military struggle that has devastated and weakened the countries of the Old World. From 1789 to 1815 she scarcely saw a moment of actual peace. Nearly the whole of Europe was in arms against her. Since then she has been engaged in great wars with Russia, with Austria, with Germany, and in lesser conflicts innumerable.

Within a century she has been the theater of nearly a dozen revolutions, involving a complete change of government and throwing her industries into chaos. In her last great war her armies were overthrown, her military power for the time was utterly destroyed, her fields were laid waste, her territory was dismembered, and she was compelled to pay an indemnity of more than \$1,000,000,000 to the conquering German. Only 20 years have passed since that great calamity befell her, and yet we find her to-day the most prosperous country in Europe, standing upon a financial basis as firm as the Rock of Gibraltar. Still, it is seriously argued that we must ignore the lesson of French financial history and wed ourselves for all time to the credit system of England.

"But France was compelled to stop coining silver in 1874,"

It is triumphantly exclaimed, "so the argument for free coinage fails." No man has any warrant to say that France was "compelled" to suspend coinage at that time. It might just as well be argued that England was "compelled" to change her standard in 1816, or that we were driven to the necessity of discarding the silver dollar in 1873. It does not follow that a nation is "compelled" to do everything that it does do. There were many things that impelled France to stop coinage that have no application to our case.

First, she already had a very much larger proportionate circulation than we have now.

Second, her population was practically stationary, and as long as trade conditions remain normal, a sufficient and healthful increase of currency was assured without free coinage.

Third, she had no great silver mining industry to foster and encourage.

Lastly, she had a great and successful military rival whom she hated with a mortal hatred, and whom she was anxious to injure.

Germany sought to establish the gold standard by unloading her silver upon France and getting French gold in return. The French were in no wise averse to relieving Germany of her silver, but it was no part of their policy to give her gold in exchange. No one knew how much silver Germany had to dispose of, and the most extravagant stories were in the air of the inexhaustible fertility of the American mines. Some people actually seemed to think that silver was destined to become as plentiful and as cheap as the baser metals; and when the United States closed its mints *to its own product*, is it any wonder that the French Government took the alarm? But a fear is a very different thing from a fact. Subsequent events have shown that the fear was utterly groundless.

With every mint in Europe and America virtually closed to it, silver never fell to less than 70 per cent. of its maximum value; and the profoundest financial students of the age have not hesitated to express the opinion that, had the mints of the Latin Union remained open, practically there would never have been any depreciation at all. If those countries should resume coinage to-morrow, we believe that silver would go to 1.33 at a single bound; and if the United States do so, our deliberate judgment is that silver will never again fall materially below 1.29, as long as the law is permitted to stand.

FREE COINAGE BY INTERNATIONAL AGREEMENT.

Leading champions of the gold standard (in fact nearly all of them) now proclaim that they are ready and anxious for free coinage by international agreement. This is a concession even more important than the one that they are in favor of free coinage when parity is reached. In making it they confess themselves completely out of court. It is an admission, in the first place, that the bimetallic theory is a sound one, for if unsound a union of nations cannot make it sound.

It is a recognition of the fact that the relative value of the two metals can be fixed by legislation, for the joint action of several States is just as much legislation as if it were confined to one. It is a complete abandonment of that whole line of argument based upon the "laws of trade," "commercial values," the inutility of the "Government stamp," the impotency of "fiat," and nearly all of those threadbare arguments which have greeted our ears for the last decade and a half.

It is an unqualified acknowledgment that the restoration of silver is not a dishonest attempt on our part to give it a forced and fictitious value, for if there is anything dishonest in the scheme it can not be made honest by international combinations. But it goes even farther than this. When it is admitted that three or four nations can handle this problem, who is competent to say that two would fail? Obviously it is only a question of the number and resources of the people engaged in the movement, and if so, why may not one nation do it alone? From 1803 to 1865 France did it, and why should the United States with $2\frac{1}{2}$ times the average population and ten times the resources of that country prove unequal to the task?

In the adjustment of this question we believe that the American Republic would prove a more potential factor than England, France, and Germany combined. Those three countries contain an aggregate of about 125,000,000 of people. We have about half that number. But those are old and long-settled countries, almost at a standstill in their national growth and development.

The population is increasing, but slowly, and the people are huddled together in dense masses upon a limited territorial area. Hence a much smaller per capita of money will suffice for their wants. But instead of having a smaller per capita they have a very much larger. Their total currency amounts in round numbers to \$4,025,000,000, about \$32 per head, while according to the highest estimates we have only \$24. To give us a proportionate amount of currency would require an addition of at least \$512,000,000.

That amount would merely put us on an even keel with the average of those three nations. But the opinion is widespread that both England and Germany are suffering from currency contraction, while nobody pretends that France has any too much. That country has about \$57 per capita, but she fails to get the natural benefit of it, because of the scant supply of money in neighboring countries, which, by lowering prices there, lowers the scale in France also.

We could therefore take into our currency about \$2,000,000,000, and then start even with our sister republic across the Atlantic. This is \$500,000,000 in excess of the entire amount of silver coin in Europe.

But in fact we could absorb and use very much more in proportion than France because of the difference in existing conditions. Ours is a new country, about equal to the whole of Europe in extent.

We have vast areas of virgin soil awaiting the approach of capital for its reclamation. Our mineral resources are practically without limit, and no country on the globe presents such opportunities for the profitable investment and use of money. It is the existence of these conditions, this capacity for money absorption, that makes the United States so tremendous a force in the settlement of this great financial problem.

FREE COINAGE BY THE UNITED STATES ALONE.

From what we have said it will be readily gathered that we have no doubt of the ability of the United States to establish and maintain the double standard even without European coöperation.

A little reflection will show how mistaken is the idea that the passage of this bill would throw the whole burden of sustaining silver upon us. Every nation that uses an ounce of silver helps to sustain it. The country which is purely bimetallic merely forms the connecting link.

During the years 1887-'88-'89 the total coinage of silver outside of the United States, according to the figures of the Director of the Mint, was \$327,901,031, an average of more than \$109,000,000 a year. This, of course, includes some recoinages. For 1888 the reported recoinages amounted to about 13½ million dollars. Estimating the recoinages at \$20,000,000 annually, it would still leave about \$90,000,000 a year *new silver* taken into the coinages of foreign countries.

During those same years the total product was \$429,615,000, an average of about \$143,000,000, leaving not much in excess of \$53,000,000 to be annually absorbed by the United States. Making every reasonable allowance for erroneous calculations it is fair to say that upon an average nearly two-thirds of the world's silver product is taken by other

countries. Hence it is preposterous to assume that free coinage will throw the whole burden upon us.

The idea seems to prevail that just as soon as we open our mints every other nation will stop using silver. It is a great deal more reasonable to believe that its use will largely increase. The great argument against silver is and has been its depreciation. If we stand ready to coin the surplus at 129, it will certainly be worth that price. It will not be necessary for us to actually *take* all of the silver in order to sustain the price. Note the language of the Royal commission on this point.

SEC. 193. Nor does it appear to us *a priori* unreasonable to suppose that the existence in the Latin Union of a bimetallic system with a ratio of $15\frac{1}{2}$ to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin Union, or to which it was actually taken to the mints of those countries is, we think, fallacious.

The fact that the owner of silver could, in the last resort, take it to those mints and have it converted into coin which would purchase commodities at the ratio of $15\frac{1}{2}$ of silver to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio and would tend to keep the market steady at about that price.

SLIGHT FLUCTUATIONS PROBABLE.

It is highly probable that if we were to act alone in this matter there would be slight fluctuations. Other nations coining at a higher valuation than ours, it might occasionally give rise to a demand at a slight advance. The course of trade might also have some little effect. For example, a demand for shipment to India falling upon a short supply would lead to a rise in silver, or an unusual demand for gold would send that metal to a premium; but, as we have endeavored to show, such movements can result in no serious harm, because each metal goes where it will do the most good, and a full equivalent is always received. These fluctuations, moreover, must necessarily be within very narrow limits because of the steadying effect of the enormous mass of coined metal, which can always be obtained at an approximately fixed price.

Then, again, the ebb and flow of the metals itself tends always toward the maintenance of the ratio. The outward flow of gold in obedience to a foreign demand checks the rise in the foreign country and at the same time leaves a vacuum behind it which creates a demand for silver. In this way substantial parity is preserved and the world gets the full benefit of both metals. This is not merely a fine-spun theory, but is in strict harmony with the monetary experience of the world. France never failed to respond to any demand for either metal, and yet during the whole 70 years that her mints were open the extreme fluctuation was only $2\frac{7}{8}d.$ an ounce. But it must be remembered that this only affected small lots of the bullion and that the parity of the coin was never broken for a day.

It is frequently said that the conditions existing in France were especially favorable, else she could not have maintained the double standard. Chiefly in this: That in the beginning of the undertaking she had a large supply of gold which enabled her to absorb much silver. So have we a large supply of gold, and in the face of the most dismal predictions to the contrary we are all the time getting more.

But there was one tremendous disadvantage that she labored under to which they never refer. It was this: When her mints were opened

the production of silver was more than three times as great as that of gold, and so continued for twenty years. For ten years longer it was twice as great, and for another ten nearly twice. Then for a decade it was about even.

But with the discovery of gold in California and Australia the proportions were completely reversed, and from 1850 to 1870 the production of gold was not far from three times as great as the production of silver. At present the production of silver is only about one-third greater than that of gold, and there is not the slightest probability of the United States being confronted by any such change of proportions as that with which France was required to contend.

THE MAJORITY REPORT.

This brings us to a brief consideration of the adverse report filed by the majority of the committee.

That report proceeds upon the assumption that the present law absorbs into our currency substantially the same amount of full legal-tender money that we should be likely to obtain under free coinage. That is probably a mistake, for free coinage would certainly relieve the market of the "surplus" which is continually "bearing" the price. It would give us all there is whatever it may be. But there is more in this question than the mere number of the dollars to be added to the currency. Upon this point we are entitled to take our adversaries at their own words.

If, in every sale and transfer of goods and property, actual money was used, then \$1 of par value and full legal tender function would be as available and effective for business purposes as another. But it is undeniably true that in, perhaps, 90 per cent. of mercantile transactions, there is an intervention of some form of credit. While this credit is a most important factor in sustaining prices, the credit must itself be sustained by actual cash. If gold is the standard—the ultimate thing to which recourse must be had in the final settlement of balances, and this is what every champion of gold has claimed—then it follows necessarily that every other form of money is itself merely a species of credit. One form of credit can scarcely be very effective in sustaining some other form of credit.

We believe that almost without exception the opponents of free coinage who have appeared before the committee, have taken the position that the parity of the silver dollar, the silver certificate, and the Treasury notes issued under the present law, is only preserved by the confidence of the people that upon demand they will each and all be *redeemed in gold*.

Whatever our opinion may be as to the soundness of this argument, it can scarcely be questioned that in the present anomalous condition of our currency, gold is the main support of the credit upon the basis of which the great bulk of our business is transacted. If that be true, then we do not get the full benefit of the 4,500,000 ounces of silver which from month to month is injected into our currency. That is to say, its effect is mainly confined to those transactions where money actually passes from hand to hand, and these are supposed to constitute not more than one-tenth of our aggregate business.

When so eminent an economist as Mr. Edward Atkinson, speaking for the financial intelligence of Boston, asserts broadly that the \$250,000,000 in silver in the Bank of France has but little effect upon the strength of the bank, *except at its gold value* for internal trade, the

friends of the double standard may be excused for being distrustful of any policy which keeps silver in the position of mere "token money." That the existing law does this, is beyond dispute. The late Secretary of the Treasury, in his report for 1889, takes the position frankly that the standard is gold, and that the silver dollar is an anomaly and not an exception, giving as a reason that the silver bullion is bought at its market price as a mere commodity.

The act of July 14, 1890, does not differ in that respect from the one he was speaking of, except as to the amount purchased. A "double standard" with one of the standards doing all the measuring is a gross misnomer; and believing implicitly in the superiority of the double over the single standard, we can not regard with favor any law which leaves the status of either metal in doubt.

THE VOLUME OF CURRENCY.

Even if volume only is to be considered, the report of the majority is far from being satisfactory. It assumes that an increase of \$360,000,000 during the next 10 years will be sufficient, when in fact to preserve even our present per capita, will require in the neighborhood of \$500,000,000. But we believe that we ought to have a per capita of at least \$10 more than we now have.

Making allowance for the retirement of national-bank notes, this would require an addition at a moderate estimate of \$1,400,000,000 during the next 10 years. Free coinage would not probably give us any such amount, but it would certainly furnish a broader base for the support of additional paper should it be necessary. We are not able to see the force of the argument that the bill should not pass because the present law was enacted no longer ago than last summer, nor are we prepared to admit that the existing law at the time of its passage was satisfactory to "ardent free-coinage men." Recent events have demonstrated with reasonable clearness that whatever the members of the present House may think of it, the law is far from being satisfactory to the people.

It is well known that the silver legislation of last summer was essentially a compromise. The ardent silver men first voted for free coinage, thereby manifesting their unmistakable preference, and those who accepted the existing law at all only did so when they found that they could not reach the full extent of their desires. It is a little ungenerous, to say the least, to force men into the acceptance of a compromise, and then declare them to be satisfied with it.

SUMMARY AND CONCLUSION.

Just what the effect of the accompanying bill will be if enacted into law no human being can tell. There is a large element of chance in nearly all legislation. It has been well said that political economy is the most uncertain of sciences. So many economic forces are at work, some operating in one direction, and some in another, and with varying degrees of intensity, that the most intelligent forecasts are frequently wide of the mark. New conditions are all the time arising and "The best laid schemes o' mice and men gang aft a-glee."

But we firmly believe that the complete restoration of silver will inure to the best interests of the country; and in expressing this belief we feel a sense of security in the consciousness that we can not possibly wander any further from the straight line of prophetic inspiration, than

our opponents have every time they have opened their lips upon this subject during the last 15 years. Aside from past predictions and failures their present position is far from convincing.

We are threatened with inflation and contraction at the same time; a diminished currency and a cheaper dollar at the same time; an 80-cent dollar for the "poor man" and 100 per cent. bullion for the "silver king" at the same time; a "hoarding of gold" and "contracting *for* gold" at the same time, and many other calamities equally terrible and equally at variance with each other. Such arguments, even though emanating from men who modestly claim to represent the "commercial intelligence" and "sound financial thought" of the country scarcely march up to our ideas of accurate logic.

Finding nothing in all the past history of the world to justify their gloomy forebodings, we feel at liberty to reject their prophecies, and rely upon such intelligence as we possess.

We do not pretend to entertain the belief that the question of free coinage involves any such alternative as national prosperity or national ruin. We believe that under any system of finance that is at all likely to be adopted, the American Republic will move steadily onward in splendid and progressive development, and that for ages to come our people will continue, as they are now, the happiest and the most prosperous upon the face of the earth.

It is only a question of what is the *best* policy for us to pursue, and we feel assured that the double standard promises more of prosperity than the maintenance of the single standard alone. We believe that the passage of this measure will restore and maintain the parity of the two metals both at home and abroad, just as the action of the Latin Union maintained it; that by investing silver once more with the complete character of "money," its efficacy as a support of credit will be increased; that it will in large degree relieve us from depressing competition in the European market, resulting from the gold cheapness of the rupee and other silver coin; that its tendency will be to raise prices generally, or at least check the decline, thus administering a healthy stimulant to business and preventing a further subversion of equities; that by enlarging our currency to the full extent possible under trade and mining conditions a more general distribution will result, which, while inflicting injury upon no class, will lighten the labors and brighten the pathway of the poor.

We therefore earnestly recommend the passage of the bill.

H. F. BARTINE.

R. P. BLAND.

T. H. CARTER.

J. R. WILLIAMS.

COINAGE OF GOLD AND SILVER.

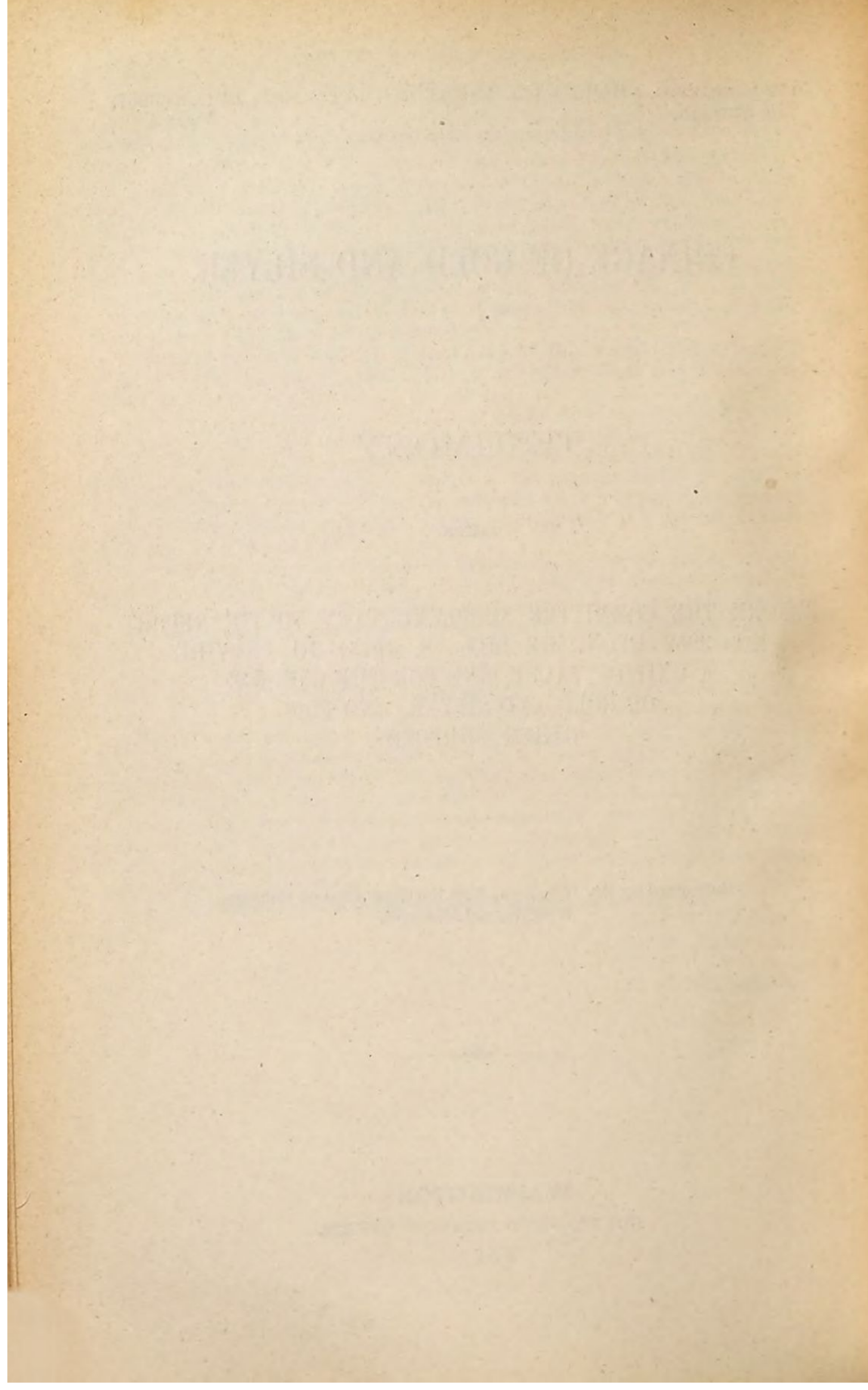
TESTIMONY

TAKEN

BEFORE THE COMMITTEE SUPPLEMENTARY TO ITS REPORT
NO. 3967 UPON THE BILL (S. 4675) TO PROVIDE
A UNIT OF VALUE, AND FOR THE COINAGE
OF GOLD AND SILVER, AND FOR
OTHER PURPOSES.

Submitted by Mr. WICKHAM, from the Committee on Coinage,
Weights, and Measures.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1891.



HEARINGS

ON THE

COINAGE OF GOLD AND SILVER.

January 21, 1891, to February 20, 1891.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Wednesday, January 21, 1891.

The committee met at 11 o'clock a. m.

Present: Messrs. Wickham (chairman), Walker, Carter, Bartine, Knapp, Taylor, Bland, Wilcox, Williams, Vaux, and Joseph.

The CHAIRMAN. The committee will come to order. I find from the minutes of the last meeting that Mr. Leech, the Director of the Mint, was requested to attend this meeting and give us such information as he might have concerning the bill introduced by Mr. Bland and the then expected Senate bill.

Mr. BLAND. As the two bills are substantially the same, I would suggest that probably we had better take up the Senate bill and let Mr. Leech make whatever observations he desires to make in relation to it.

The CHAIRMAN. Your bill and the Senate bill are substantially the same.

Mr. BLAND. I move that we take up the Senate bill, and that the proceedings be had upon that bill.

EXCHANGE OF GOLD BARS.

Mr. WALKER. There is a letter which I sent here with reference to a bill now on our House Calendar, which might call, possibly, for its reconsideration. It was from Mr. Burchard, formerly Director of the Mint. If there is no objection, I would like to have it submitted to the committee.

Mr. BLAND. Has that bill been reported?

Mr. WALKER. My suggestion was that the letter be read for the information of the committee.

Mr. BARTINE. Is it of such a character that the reading ought to precede the hearing?

Mr. WALKER. I would be very glad to have it read. (To Mr. Leech) Have you seen the letter?

Mr. LEECH. No, sir.

Mr. WALKER. It is a matter about which I would like to consult Mr. Leech.

Mr. LEECH. From whom is it?

Mr. WALKER. From Mr. Burchard.

Mr. CARTER. I move that the letter be read that the subject matter

may be presented, so that Mr. Leech may make such observations as he desires.

The motion was agreed to.

The CHAIRMAN. I will read the letter.

Hon. R. R. HITT,

House of Representatives :

DEAR SIR: A bill was introduced and referred to the Committee on Coinage, and appears to be now on the House Calendar (H. R. 12226, report No. 3330), which provides for the amending of the act of May 26, 1882, so as to authorize a bar charge on bullion exchanged for coin and also give the Director of the Mint authority to suspend the operation at his discretion. Please send me a copy of the report.

It can be demonstrated by an examination of the reports of the Bureau of the Mint that since the act of May 26, 1882, was passed it *has saved the Government* an expenditure of \$350,000 to \$400,000 that would have been required to transport and coin the \$161,364,841 of gold bars exchanged within eight years for gold coin at the New York assay office, nearly all of which would have been now lying in that office, or, as previously was the case, and required by the coinage act, have been sent to the Philadelphia mint for coinage. The express charges, when I was Director of the Mint, were 25 cents per \$1,000 on gold bullion or coin between Philadelphia and New York, each way, and the lowest estimate of Director Linderman for coining gold was one-fifth of 1 per cent. of its value, equal to \$2,000 per \$1,000,000, and it, in fact, costs the Government more than that, not including loss in melting and waste in coining, for which officers are allowed.

Prior to the passage of the act, within ten years, over \$200,000,000 of gold bullion had been sent by express from the New York assay office to Philadelphia for coinage. The Philadelphia mint was asking for enlarged facilities, and New York City for the establishment of a mint to coin the gold in that city, and Congress annually made a large appropriation for paying for the transportation of gold coin and bullion. It was to dispense with the necessity of this expenditure and unnecessary coinage that I advised and the Senate Finance and House Coinage Committees recommended and Congress passed the act authorizing the receipt of gold coin at the coinage mints and New York assay office in exchange for gold bars. It would seem on general business principles a sensible transaction to receive the more costly manufactured article (coin) in exchange for the material out of which it must be manufactured. Although nearly \$120,000,000 of gold bars, within two years, had then been sent to Philadelphia for coinage, there still remained in the New York assay office about \$30,000,000 or more of gold bullion. In every year, no matter what may be the general balance of trade, there is some demand for gold export; it seemed to me if this demand could be satisfied by taking this bullion from the New York assay office, it would be wise economy for the Government.

During May, 1882, and the three preceding months nearly \$25,000,000 of gold was exported at New York and only \$28,600 of it in bullion; about \$24,000,000 being United States gold coin and \$1,000,000 foreign coin. Why were not gold bars then sent as now, instead of coin? Because they could not be obtained at the assay office in exchange for the United States coin being shipped, nor be had elsewhere in New York except upon the payment of a premium or bar charge. Gold bars and United States gold coin equally rated as bullion abroad were abroad equally valuable and would not be taken for export if not obtainable at par.

Eight years previous to this time a similar heavy demand for gold for export arose, calling for nearly \$28,000,000 in the fiscal year 1874, of which over \$24,000,000 was reported to be exported in domestic gold coin, while over \$18,000,000 of gold bullion in the New York assay office, which, if the law had permitted, would have been shipped in the place of this coin, was at the Government expense sent to Philadelphia mint for coinage. An attempt was made by Congress to save this expense and let gold bars be exported instead of gold coin, and an act was passed June 26, 1874, authorizing a transfer of gold bars from the New York assay office to the assistant treasurer's office at New York, and the exchange of the bars at not less than par and their market rate of value for gold coin.

Shortly afterwards, \$3,000,000 worth of these bars was transferred under the law to the assistant treasurer's office, but there being a bar charge on such bars at the assay office, they were quoted at a premium above gold coin, and few, if any were, during the eight years, exchanged, and finally this bullion was transferred back to the assay office.

The table of export of domestic bullion and coin, during the last eighteen years, shows how ineffectual the act of June 26, 1874, was to induce the exchange and what the act of May 22, 1882, has accomplished. Of the exports of domestic gold, as reported at the custom-house, bullion, for the two years before the act of June 26, 1874, was passed, constituted nearly one-sixth of the amount; for the eight years subsequent less than one-twentieth; for the eight years the act of May 22, 1882, has been

in force, nearly four-fifths of such export. During the latter period, although gold bullion of the value of \$188,733,779 was deposited at the New York assay office, none of it was sent to Philadelphia, and no expense was incurred for its coinage. The export demand took \$144,600,741 of it, and \$1,557,425 in the previous month of June and less than \$40,000,000 in United States gold coin.

During the previous eight years, when gold bars could not be had without paying a bar charge or premium over gold coin, only \$5,600,000 of gold bullion, while nearly \$150,000,000 of gold coin, was sent abroad, and \$193,152,406 of New York assay-office bars were sent to the Philadelphia mint, at a probable expense of half a million of dollars to the Government.

These figures show that while assay-office bars, because more convenient for shipment, are usually preferred to United States gold coin, when they can be had at par, exporters will take the trouble to make the exchange, but not when a premium or bar charge (the latter \$400 per \$1,000,000) is demanded.

The annual assays prove that the gold coins issued from the Philadelphia mint are above rather than below the standard fineness, and the deliveries of the coiner were, at least formerly, required to exactly equal the standard weight, so that the average bullion value of such coins equals that of gold bars of the same weight and fineness. Being, therefore, approximately of the same value as bullion, I can not see why United States gold coin and gold bars will not equally satisfy the demand of the Bank of England for gold to maintain its depleted or threatened reserves.

That ability to obtain gold bars at par for gold coin increases the total gold exports is merely conjectured. It is not proved by the fact that London exchange is, at times, offered on the New York market at a rate below the cost of procuring and shipping gold; especially when, as last summer, the strongest and wealthiest international banking houses in the world became embarrassed, and when the Bank of England and other banks, to replete their diminished reserves and to induce gold shipments, paid a premium for or credited the exporter with the value of the gold (as stated in an official report) at the date of shipment.

It is believed that similar exports of gold, when exchange on London was quoted at less than 489, were frequently and largely made under similar circumstances at times, before as well as since the passage of the act of May 26, 1882.

For these and other reasons that might be urged, and especially to save the otherwise unavoidable expense of transporting and coining foreign gold imported at New York, the proposed change of the law seems to be inexpedient, unwise, and disadvantageous to the Government.

Respectfully, yours,

HORATIO C. BURCHARD.

Then follows a tabulated statement of exports, etc.

The table is as follows.

Fiscal year.	Total reported gold exports of domestic—		Redeposited fine and mint gold bars at the Philadelphia mint.	Gold bullion balances at the New York assay office.	Gold bars at New York assay office.	
	Bullion.	Coin.			Exchange.	Exported.
1873.....	\$8,810,175	\$35,661,863	\$1,158,613	.....	.....	.....
1874.....	3,878,543	24,112,229	18,718,058	.....	.....	.....
Two years..	12,688,718	59,774,092	19,876,671	.....	.....	.....
1875.....	2,233,775	59,309,770	3,793,759	.....	.....	.....
1876.....	1,888,896	17,542,861	7,005,709	.....	.....	.....
1877.....	1,084,536	21,274,565	8,637,133	.....	.....	.....
1878.....	205,319	6,420,351	11,852,439	.....	.....	.....
1879.....	24,774	4,120,311	8,754,734	\$2,530,257	.....	.....
1880.....	87,066	1,687,973	35,027,098	28,581,428	.....	.....
1881.....	84,943	1,741,364	61,560,816	60,766,826	.....	.....
1882.....	*1,598,366	†29,805,289	56,520,718	.....	\$2,697,166	†\$1,557,415
Eight years..	7,208,645	151,902,484	193,152,406	.....	.....	.....
1883.....	4,118,455	4,802,454	416	27,517,997	5,173,965	4,094,378
1884.....	23,052,183	12,242,021	1,013	16,528,011	25,419,530	22,979,816
1885.....	395,750	2,345,309	237,846	38,976,390	1,779,141	2,212
1886.....	27,365,090	5,400,976	194,190	19,798,085	31,192,404	26,213,202
1887.....	2,154,534	3,550,770	.....	59,073,812	7,132,392	1,993,451
1888.....	9,348,685	3,211,399	4,057	83,197,736	15,360,105	7,393,366
1889.....	50,786,393	4,143,939	102	37,407,644	56,905,519	49,679,850
1890.....	9,451,896	3,951,736	96	34,998,348	15,704,619	9,296,309
Eight years..	126,672,986	39,648,604	437,720	.....	158,667,675	121,652,914

*\$1,457,525 after act of May 26 passed.

†\$4,064,637 in June, 1882.

‡\$1,456,925 in June, 1882, after act of May 26 passed.

Mr. CARTER. I desire to submit the suggestion that the writer of the letter misapprehended the scope of the bill. It is not a change of law in the sense in which he understands it. The bill reads:

That the superintendents of the coinage mints and of the United States assay office at New York may, with the approval of the Director of the Mint, but not otherwise, receive United States gold coin from any holder thereof in sums not less than five thousand dollars, and pay and deliver in exchange therefor gold bars in value equaling such coin so received: *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury, may impose for such exchange a charge which in his judgment shall equal the cost of manufacturing the bars.

The understanding, as I am informed, at the time the law now existing was framed, was that this discretion was given to the Secretary and the Director of the Mint by the terms of the law itself. The exchange was merely permissive, or was so understood to be, so far as the executive officers of this Government were concerned, the language of the law being "that the superintendents of the mints are authorized." The Attorney-General in a recent opinion held that where authority was given an executive officer, and such authority presupposed the granting of a right to a third party, that the language otherwise appearing discretionary became mandatory, and no discretion existed; that a demand made by a third party imposed a duty which they could not get rid of but by compliance.

The purpose of this act, as I understand it, was to carry out the original intent in framing the former act, by making it discretionary with the officers of the Government, not disposing entirely of the exchange system, but giving the United States some chance in the deal if it seemed wise to exercise that discretion.

Mr. LEECH. That was it exactly.

Mr. CARTER. So I understood.

STATEMENT OF E. O. LEECH.

EXCHANGE OF GOLD BARS.

Mr. LEECH. I would like to say, if I am in order, that it was shown conclusively last summer that we could have saved gold to the United States by exercising the discretion asked for in the bill reported. When I found that under the decision of the Attorney-General I had no power to refuse these men gold bars for shipment abroad in exchange for gold coin, and found that \$60,000,000 in gold was going from New York bodily in fine gold bars to Europe, I delayed their requests by holding them over from morning till afternoon. In that way I prevented the shipment of a large quantity of gold, because, finding they could not get the gold bars in time for the steamer, they would not ship gold coin and withdrew their requests, showing conclusively that we would have lost that much gold if I had not held back these requests. It was not profitable for them to ship gold coin. They had it on deposit, but because they could not get the gold bars that afternoon in time for the steamer next morning they let the shipment go, and we saved to the country about \$700,000 of gold.

We are not so much interested in the cost of coining this stuff or the cost of shipping it from New York to Philadelphia. Those are bagatelles. We are interested in saving our stock of gold which Europe is seeking. We are facilitating the exportation of gold by this law, which stands on the statute books, not only when they want gold in Europe,

but whenever there is any monetary disturbance in the Argentine Republic or in any other country which requires the shipment of gold. Whenever they require gold they come to the United States and get it because they can get it more easily, more cheaply, and more conveniently here.

In London or in Paris the banks charge a premium when gold is wanted for shipment, while we stand ready in New York, at our most convenient seaport, to give them fine gold bars with the Government attestation as to weight and fineness stamped on them in exchange for gold certificates. This change in the law, which was recommended by the Secretary of the Treasury, and which I think will commend itself to every person in this country, simply requested authority from Congress to leave the matter of the exchange of gold bars for gold coin discretionary with the Department. If we found that gold was going out of the country and that we could keep it by imposing a small bar charge, we should have the authority to impose it.

Mr. WALKER. Would it not be wise, in this bill, to make provision for a charge on all coinage? Ought not this discretion be in this bill while we are legislating upon the subject to make a change to cover the cost of coining for the purpose somewhat of meeting the very thing that you have suggested?

Mr. LEECH. Well, the coinage charge on gold was abolished by the specie resumption act, and I believe wisely, on the theory that it was our duty to coin money for the people free of cost.

COST OF COINAGE.

Mr. WALKER. What does it cost a piece—or do you reckon it so much a dollar in value—what is the actual cost of coining gold of standard fineness?

Mr. LEECH. The coinage charge on gold, which was originally fixed at one-half of 1 per cent, was reduced by the coinage act of 1873 to one-fifth of 1 per cent, experience having shown that to be about the cost.

Mr. WALKER. On silver?

Mr. LEECH. The coinage charge on silver prior to 1873, when the coinage of the silver dollar was discontinued, was the same as on gold. Under the present law silver is coined for the Government and there is, of course, no charge. When Congress authorized the coinage of trade dollars in 1873 we imposed a coinage charge of 1 cent a piece in the East and $1\frac{1}{4}$ cents in the West, as about covering the cost. The cost of coining a silver dollar varies from 1 cent to 7 or 8 cents a piece, depending on the institution in which it is coined.

Mr. WILLCOX. A piece?

Mr. LEECH. Yes, sir. At the mint in Philadelphia the cost is a little over a cent. At the Carson mint it is 6 or 7 cents.

Mr. WILLIAMS. On the dollar?

Mr. LEECH. Yes, sir. That is owing to the fact that the capacity of the mint at Carson is very limited—their machinery is very limited—they only coin 200,000 silver dollars a month and the salaries of the officers go on just the same which is a part of the cost of coinage; moreover the stock of bullion is limited. Of course the larger the mass coined the less the cost per piece, as in any manufacturing business.

Mr. BARTINE. The reason for the greater cost at Carson is that the mint is located in the heart of a silver mining country, where the cost of wages is very high; is not that so?

Mr. LEECH. Yes, sir; in part.

Mr. BLAND. What is the cost at New Orleans?

Mr. LEECH. About a cent and a half. I have a table in my report showing the cost at each mint, which I will introduce.

Cost of coinage at each mint, 1890.

Location of mint.	Pieces coined.	Pieces coined, exclusive of minor coins.	Expenses for salaries, wages, and incidentals.	Cost per piece, including minor coinage.	Cost per piece, exclusive of minor coinage.
Philadelphia	93,707,137	27,040,358	\$581,082.13	\$0.0062+	\$0.0215—
San Francisco	6,535,474	6,535,474	264,097.80	.....	.0404—
New Orleans	10,925,000	10,925,000	200,171.38	.....	.0183+
Carson	1,530,460	1,530,460	124,928.52	.....	.0816+
Total and average	112,698,071	46,031,292	1,170,279.83	0.0104—	.0254+

Mr. WILLIAMS. We had better abolish these little mints.

Mr. VAUX. And let the Philadelphia mint do the whole work.

Mr. WALKER. What are the advantages of coining it at Carson? Is silver circulated at Carson?

Mr. LEECH. Yes, sir; silver dollars are circulated there, and shipped from the Carson mint all through that section of the country.

Mr. BLAND. I remember when they would not have anything but gold and silver in that country.

Mr. BARTINE. They will not have anything else now.

EXPORT OF GOLD.

Mr. VAUX. Will my friend (to Mr. Carter) allow me to ask him a question? There were two bills. One was referred to him and the other was passed. Now, the remarks that he has just made refer to the bill which was referred to him.

Mr. CARTER. That bill has already been reported and is now on the Calendar.

Mr. VAUX. There was one bill which was not acted upon, because we thought there was some little confusion in the language, or something of that sort. There has been no report on that bill?

Mr. CARTER. No, sir.

Mr. WALKER. The communication which the chairman has read was addressed to Mr. Hitt. Mr. Hitt handed it to me—not that I am interested in it at all—I laid it before the committee because I thought that if the discussion came up in the House it would be very likely to be used there. I thought it might be the desire of the committee to have Mr. Leech say something on the subject.

Mr. BARTINE. What is about the average difference in price or value for export between gold coin and gold bars?

Mr. LEECH. The premium on gold bars in New York runs from one-eighth to a fifth of a per cent. above coin. But there are other questions involved in the shipment of gold besides the premium on bars. The movement of specie from one country to another does not always occur only in the settlement of balances of trade. Gold is shipped as a monetary transaction, and as a rule at no other time, and when needed is drawn from countries where it can be most readily and economically secured; that is to say, when it is more profitable to ship gold than to buy sterling exchange, gold is shipped bodily. The solution of

that question, whether it is cheaper to bodily ship gold or to buy sterling exchange, is largely solved by the facilities with which gold can be obtained in New York and what it is going to net on the other side of the water. These matters are very important in determining that question, especially when exchange is at a point where the margin of profit is very narrow. It is only at such times that the change in the law would come into play. That question is settled by these three facts: First, the facility with which they can get gold in New York; second, the cost of transportation and insurance, and third, the net result of the shipment on the other side of the water.

Gold bars are easier to transport. They are always of full weight. They lose nothing by abrasion. The result is that it is cheaper to ship gold bars than it is to ship coin, which may be light and which may lose by abrasion on the way over. The danger of theft, while in transition is much more in the case of coin than in the case of bars, and the trouble and expense of handling coin is greater.

Mr. CARTER. Is there any difference in the rates of insurance charged for gold bars and gold coin?

Mr. LEECH. I can not say that there is, but I should think the risk on bars would be less than on coin, because the dangers of robbery are not so great. But the principal loss is in the abrasion of the gold coins in transit.

Mr. BARTINE. Mr. Walker suggested the propriety of a mint charge on the coinage of gold. Would not that rather aggravate the trouble, by deterring the holders of gold from having it coined, and thus leaving a greater amount of the bars?

Mr. LEECH. It might under the present law. This bill which Mr. Carter reported simply proposes to give the Secretary of the Treasury the right to refuse these bars, or the right to make a charge equal to the cost of manufacture in case it is clearly for the interests of the Government. That is perfectly reasonable. Nobody could ask anything else. Here we stand utterly helpless to stop this drain of gold, because the Attorney-General has ruled that this statute is mandatory. We want it made discretionary, and if it is evident that the gold will go anyway, why we will not exercise the discretion, but if it is evident that we can keep it here by imposing the charge, we will do it.

COST OF COINAGE.

Mr. TAYLOR. What is the average cost of coining gold?

Mr. LEECH. About one-fifth of 1 per cent. I have a table in my report showing the cost of coinage at each mint and the average cost. The average cost, including the minor coinage, was a little over a cent a piece.

The CHAIRMAN. That is silver.

Mr. LEECH. That is gold and silver and minor coinage. Exclusive of the minor coinage it was $2\frac{1}{2}$ cents a piece last year.

Mr. TAYLOR. Have you got gold and silver separate?

Mr. LEECH. It is $2\frac{1}{2}$ cents on each piece coined, without regard to value.

Mr. TAYLOR. That is silver?

Mr. LEECH. Silver and gold. It is impossible to separate the cost of coinage at Philadelphia. The cost last year, including the minor coinage, was 6 mills a piece. Exclusive of minor coinage, which we buy in blanks and only strike, it was 2 cents a piece. At San Francisco it was 4 cents on gold and silver, mostly gold. At New Orleans, where

they did not coin anything but silver dollars, it was 1 cent and 8 mills for each dollar. That is a fair test of the cost of coining silver dollars. At Carson it was 8 cents. That included the cost of renovating the mint, which had been closed for five years, and a great many other unusual expenses.

TRANSPORTATION OF GOLD.

Mr. WALKER. What is the expense of transporting a thousand dollars of gold from New York to Philadelphia?

Mr. LEECH. Fifty cents a thousand dollars.

Mr. WALKER. On silver?

Mr. LEECH. I think it is a dollar a thousand. I think that is the charge, but I am not positive.

Mr. BARTINE. I thought it was transported by value?

Mr. LEECH. No; we have a contract with the United States Express Company, which is so many mills per thousand dollars for each mile carried. I think it is 2 mills per thousand dollars per mile. There is a minimum rate of a dollar a thousand, and shipments from New York to Philadelphia would come under the minimum rate.

Mr. BARTINE. How about transportation to Europe?

Mr. LEECH. Of course the shippers make their own prices with the transporters.

Mr. WALKER. Have you not an idea of the cost of insurance?

Mr. LEECH. I think that is stated in the report for 1889. If your clerk can find a copy of it I can tell you what it is. Just what the cost is I do not remember at this moment. I will send it to the committee in case you can not find the report. I think it was one-tenth or one-eighth of 1 per cent.

Mr. WILCOX. What kind of losses does that cover?

Mr. LEECH. It only covers the delivery of the stuff on the other side.

Mr. WILCOX. Against theft or robbery?

Mr. LEECH. Yes, sir; and the ordinary dangers of the sea; the usual contract of maritime insurance. The report for 1889 says:

The cost of transporting gold bars from New York to Europe is about one-eighth of 1 per cent, and the cost of insurance from nine one-hundredths to three-sixteenths of 1 per cent, so that it would not be profitable to ship bullion rather than to buy exchange, if price of the exchange was below \$4.88.

Mr. WALKER. And how much would that be for the two put together?

Mr. LEECH. Say five-sixteenths of 1 per cent for transportation and insurance.

Mr. BARTINE. That includes both kinds of coin?

Mr. LEECH. No, sir; it is gold. I do not know the cost of shipping silver across the water, but I think it is from one-half to five-eighths of 1 per cent.

Mr. WALKER. Those are gold bars. Do they charge a different price for gold coin? Is it more? Do you state what that is?

Mr. LEECH. I think it is the same.

Mr. BARTINE. What is your judgment as to the change which you ask shall be made in the law? It can do no possible harm and may do good?

Mr. LEECH. It can do no possible harm.

Mr. WALKER. It does not change the law, it only gives you discretion.

Mr. LEECH. I think it would be a very wise and desirable change, and I think that is appreciated by everybody who knows the situation.

Summer before last we lost \$61,000,000 of gold—all in gold bars—by export and last summer some \$16,000,000 in gold bars went out of the country, some of which I feel sure we could have saved if it had not been for this law.

Mr. WALKER. The effectual bar to the shipment of gold from England is the raising of the Bank of England rate of interest.

Mr. LEECH. Yes, sir.

Mr. WALKER. Is there any device which the banks of this country have a legal right to apply or which the Government of this country has, which is equivalent to that?

Mr. LEECH. No, sir; the Government has none. Of course the banks can do as they please, but the Government has no right under the law to impose any charge.

Mr. WALKER. Consequently, is not the further fact true that practically all shipments of coin are made from the Government store?

Mr. LEECH. Individuals deposit gold certificates with the assistant treasurer at New York and get an order on the assay office, right next door, and get the gold bars and put them in kegs in the yard of the assay office, and ship them down Wall street to the steamer. That is the way the transaction is done.

Mr. BARTINE. They do that because it is easier to get it in that way than to skirmish around and gather it up here and there.

Mr. BLAND. I make a motion that we proceed to the consideration of this bill.

The motion was agreed to.

THE SILVER BILL.

The CHAIRMAN. We will listen to what Mr. Leech has to say upon the subject of the Senate bill.

Mr. LEECH. I want to say, Mr. Chairman and gentlemen of the committee, that while I am very much obliged to the members of this committee for their invitation to come here to-day, I did not come for the purpose of making any speech or any argument. I do not consider, being an executive officer of the Government and a technical officer in charge of the mints, that it would be a proper thing for me to do. But I come here to furnish any information which I may have in my possession which may be of value to members of this committee in determining this question. I have prepared some statistical tables, which have some bearing upon this subject, and which I will submit to the committee at the proper time. But I have nothing to say in the way of argument on the subject.

The CHAIRMAN. You are prepared to answer any questions?

Mr. LEECH. Yes, sir; I will endeavor to do so.

Mr. VAUX. It was at my suggestion, Mr. Chairman, that Mr. Leech was invited to be present upon the statement that there were some questions I desired to put to him.

The CHAIRMAN. You have the opportunity now, Mr. Vaux.

Mr. VAUX. As I can not read my own writing—that is one of the blessings I am enjoying in this world—I have had them typewritten so that I could read them to Mr. Leech and not embarrass him by confusion.

Mr. BLAND. I am glad to know that some one else is in the same predicament with myself.

Mr. VAUX. I should like to ask Mr. Leech what is the present market value of silver?

Mr. LEECH. It is \$1.05 a fine ounce.

Mr. VAUX. What has been the average market value for each year since the silver coinage act of February 28, 1878, was passed?

Mr. LEECH. I have a statement showing the average New York price of silver bullion per fine ounce annually from 1872 to 1890.

Mr. VAUX. What is understood by "market value" of silver?

Mr. LEECH. The price for which silver bullion sells in London or New York.

Mr. VAUX. Per ounce?

Mr. LEECH. Yes, sir.

The CHAIRMAN. Fine silver?

Mr. LEECH. Pure silver.

Mr. VAUX. Then you put in the words "per ounce pure silver," as indicating the market value of silver generally?

Mr. LEECH. Yes, sir. The quotation of silver in London is for an ounce .925 fine, British standard. The London price is quoted in pence. But the quotation in New York is for a troy ounce of pure silver. In this table the English value is converted into our money.

The table is as follows:

Average yearly New York price of silver bullion per fine ounce from 1872 to 1890, inclusive.

Fiscal years.	Price.	Fiscal years.	Price.
1872.....	\$1.33445	1882.....	\$1.13799
1873.....	1.29888	1883.....	1.11889
1874.....	1.27827	1884.....	1.11560
1875.....	1.24676	1885.....	1.09117
1876.....	1.19500	1886.....	1.03388
1877.....	1.17250	1887.....	0.98439
1878.....	1.18641	1888.....	0.95782
1879.....	1.11875	1889.....	0.93537
1880.....	1.14162	1890.....	1.04673
1881.....	1.12957		

Mr. VAUX. What is the present bullion value of a silver dollar in terms of a gold dollar?

Mr. LEECH. I have a table showing the bullion value of the silver dollar at the different prices of silver, which may be of interest to the committee. It is a table showing the value of the pure silver in a standard silver dollar, calculated at the commercial price of silver bullion, from \$0.90 to \$1.2929 (parity) per fine ounce.

The CHAIRMAN. You can insert that table.

The table is as follows:

Value of the silver in a standard silver dollar, reckoned at the commercial price of silver bullion, from 90 cents to \$1.2929 (parity) per fine ounce.

Price of silver per fine ounce.	Value of the pure silver in a silver dollar.	Price of silver per fine ounce.	Value of the pure silver in a silver dollar.
\$0.90	\$0.696	\$1.11	\$0.859
0.91	0.704	1.12	0.866
0.92	0.712	1.13	0.874
0.93	0.719	1.14	0.882
0.94	0.727	1.15	0.889
0.95	0.735	1.16	0.897
0.96	0.740	1.17	0.905
0.97	0.750	1.18	0.913
0.98	0.758	1.19	0.920
0.99	0.766	1.20	0.928
1.00	0.773	1.21	0.936
1.01	0.781	1.22	0.944
1.02	0.789	1.23	0.951
1.03	0.797	1.24	0.959
1.04	0.804	1.25	0.967
1.05	0.812	1.26	0.975
1.06	0.820	1.27	0.982
1.07	0.828	1.28	0.990
1.08	0.835	1.29	0.998
1.09	0.843	*1.29	1.00
1.10	0.851		

* Parity.

Mr. VAUX. What has its average bullion value been in each year since the silver coinage act of February 28, 1878?

Mr. LEECH. The average bullion value in each year since the silver coinage act of February 28, 1878, I have not with me.

Mr. BARTINE. That can be calculated from the average price of the bullion.

Mr. LEECH. Yes, sir; it is stated in my report for each year, but I have not got the compilation for a series of years. I can furnish it to the committee if desired.

Mr. VAUX. I will be very glad to have you do so.

The table is as follows:

Commercial value of the silver in a silver dollar of the United States at the average price of silver each year.

1873-1890.

Calendar years.	Average price.	Calendar years.	Average price.
1873	\$1.004	1882	\$0.878
1874	.988	1883	.858
1875	.964	1884	.861
1876	.894	1885	.823
1877	.929	1886	.769
1878	.891	1887	.758
1879	.868	1888	.727
1880	.886	1889	.724
1881	.881	1890	.809

PARITY OF GOLD AND SILVER MAINTAINED.

Mr. VAUX. In what way has the value of the silver dollar been kept equal to that of gold notwithstanding the difference in their bullion value?

Mr. LEECH. Mainly by the limitation of the coinage of silver and endowing it with legal-tender power equal to gold; and from the fact that holders of legal-tender paper of the United States have been allowed to receive gold upon demand; that the Government has not exercised any discretion in payments between gold dollars and silver dollars; from the fact that we have a sufficient quantity of gold in the United States to maintain the gold standard; from the fact that our credit is so good and that it is the general faith of mankind that we will always redeem a silver dollar with a gold dollar.

Mr. VAUX. Under legal tender currency?

Mr. LEECH. Yes, sir. The silver dollar and silver certificate are practically interconvertible through the banks and in circulation with legal-tender notes, which are redeemed in gold upon demand of the holder, and just as long as we are able to freely redeem the obligations of the Government in gold, the silver dollar, in domestic circulation, at least, will be of equal value with the gold dollar.

Mr. WALKER. I should like to ask a question with Mr. VAUX's permission.

Mr. VAUX. Certainly.

Mr. WALKER. I should like to ask if the director knows—I do not know whether he does or not—how each of the countries of Europe maintains their silver at par with gold?

Mr. LEECH. Do you wish me to answer that question?

Mr. WALKER. Yes, sir.

Mr. LEECH. Of course this is going into question of opinions largely.

Mr. WALKER. My judgment was that there were statute laws in many of the countries which affected this. It is not a matter of opinion.

Mr. LEECH. You want to know how the European countries keep their silver coins at par with their gold coins, they being intrinsically of less value. In England of course, silver is subsidiary. It is token money, and is redeemable in gold. So of course there is no trouble there, or in the other countries having a gold standard. In the states of the Latin Union—

Mr. WALKER. Give us the list.

Mr. LEECH. France, Belgium, Switzerland, Italy, and Greece. Spain has the same coinage system, so that it is practically the same, although not a member of the Union.

Those countries, as you very well know, suspended the coinage of full legal-tender silver in 1878. First, the states of the Latin Union limited the coinage of the 5-franc piece in 1874. In 1878 they closed their mints to the coinage of 5-franc pieces, since which time this coinage has not been resumed. All Europe followed suit, and there have been no full legal-tender silver coins struck in Europe for thirteen years. There have been some trade coins struck by Austria-Hungary, but there has been no coinage worth mentioning of full legal-tender silver coins.

By limiting the coinage they have been able in domestic circulation to keep their silver coin in circulation at par with gold; but it must be borne in mind, and this is a very important fact, that under the terms of the Latin Union the full legal-tender silver coins are redeemable in gold by the countries which issued them; that is to say, when the Latin Union expires, which can be done now, at the end of any year by any one of the countries—it is only kept along by sufferance from year to year—the Bank of France can call upon the other states of the union to redeem in gold the 5-franc pieces of their coinage that it holds; so that the full legal-tender silver coins of the Latin Union are practically redeemable in gold.

Mr. VAUX. By consent?

Mr. LEECH. By the terms of the union.

Mr. BLAND. At the time that the Latin Union limited the coinage of silver in 1874 it was at par, was it not?

Mr. LEECH. I think it was not at par in 1874, was it?

Mr. BLAND. Yes, sir.

Mr. LEECH. Probably you are right. My recollection was it fell below in 1874, but the depreciation was very slight.

Mr. BLAND. At the time the limit was placed upon the coinage of silver was it not at par?

Mr. LEECH. It was at par with gold at the ratio of $15\frac{1}{2}$ to 1 up to 1873, when Germany demonetized silver.

Mr. BLAND. And had it not been so for some eighty odd years?

Mr. LEECH. Yes, sir, practically.

Mr. BLAND. Well, then, it is a matter simply of conjecture as to whether or not the Latin Union has had anything to do with maintaining silver at a par?

Mr. LEECH. It is largely a matter of conjecture but generally admitted.

Mr. BLAND. Based, however, on past experience for many years.

Mr. VAUX. Can it be kept at a par by legislation?

Mr. LEECH. I think it can. I think that is the only way it can.

Mr. WALKER. What do you mean by "legislation?"

Mr. LEECH. I mean by an agreement between nations commercially powerful enough to maintain a ratio. If nations of sufficient commercial importance agree that gold and silver shall be coined at a certain ratio I believe that would keep them at par. The history of the world has shown that it did.

Mr. VAUX. Do you think that legislation which said that a silver dollar and a gold dollar should be received at par would keep the value of silver always sufficient to maintain it at par?

Mr. LEECH. I think if it were an agreement among nations sufficiently powerful to maintain it.

Mr. VAUX. If it is good as to three it would be good as to one. There would be a condition of things something like this, as I understand it: That the intrinsic value of so many grains of silver could be made equal in value to so many grains of gold, by legislation which made them both legal tender in the payment of debts?

Mr. LEECH. By reason of legislation creating a demand, the bullion value would be kept at coining value; just as demand increases the price of any product.

Mr. VAUX. That is true; a demand for the product; but can the demand give to either the value that it does not possess? In other words, can you go into the commercial world and take a thing valued at ninety and make it equivalent to a hundred? Can you take a commodity valued at ninety cents on the dollar and make it equivalent to one hundred cents on the dollar?

Mr. LEECH. By creating a demand for it, and that demand will of itself increase its value, like it would any other commodity; if the demand is increased and the supply is not increased, the natural result would be to increase the price.

Mr. WILLIAMS. Legislation can increase the demand?

Mr. LEECH. Why, certainly.

Mr. WILLIAMS. Free coinage would create the greatest demand?

Mr. LEECH. Undoubtedly.

Mr. VAUX. Would free coinage keep the value of gold equal to that of silver in our nation?

Mr. LEECH. I do not believe that free coinage by this country alone would.

Mr. BLAND. It seems to be admitted that a sufficient number of na-

tions in a monetary league can maintain the parity between the two metals at any ratio agreed upon. If that is so, then it simply resolves itself into this question: As to how many nations it would require, or as to whether this nation itself, upon that theory, is not able to do so?

Mr. LEECH. Why, of course.

Mr. BLAND. That is a matter of mere opinion.

Mr. LEECH. It is not a matter of mere opinion. It is a matter of statistical knowledge as to the status and intentions of other countries.

Mr. BLAND. It is information based upon statistical knowledge?

Mr. LEECH. Yes, sir.

Mr. TAYLOR. Would free coinage make silver any more valuable provided there were no provision to compel the Government to purchase the coin?

Mr. LEECH. Free coinage in this bill is in itself a purchase.

Mr. TAYLOR. Not on the part of the Government?

Mr. LEECH. Why, certainly. This is a bill for the free purchase of silver. Under the present law if we had free coinage it would be the same thing, because they would simply deposit their silver and get silver certificates.

Mr. TAYLOR. Suppose they did not have that provision; they did not formerly have it; suppose that was stricken out?

Mr. LEECH. That would necessarily limit the output of silver dollars to the capacity of the mints to coin.

Mr. TAYLOR. Would that increase the value of silver?

Mr. LEECH. I think it would.

Mr. WALKER. I should like to ask the Director whether he means by that if this country alone granted free coinage that would of itself make the silver dollar and the gold dollar interchangeable in this country; simply granting free coinage at the present ratio of weights?

Mr. LEECH. It would make it interchangeable as long as we had gold dollars to interchange.

Mr. WALKER. How long do you think that would be?

Mr. LEECH. That depends on how much silver came here and how many legal tender notes were paid out in the purchase of it, and to what extent gold was hoarded or left the country. I do not think it would be very long.

Mr. VAUX. Would it appreciate it or depreciate it?

EFFECTS OF FREE COINAGE.

Mr. LEECH. I think the effects of this bill would be to attract to our mints large quantities of silver. I believe the current product of the world would naturally move here. In addition to that, I believe that European countries would avail themselves of this opportunity, which they believe can not last, to get rid of their embarrassing stocks of silver and adopt the gold standard. I believe Austria-Hungary would resume specie payments on the gold basis. She can not resume on the silver basis. I think they would avail themselves of this opportunity to convert their silver coins into our full legal tender money and get our gold for them even at a slight loss. I think other European countries would do the same. I think that is proven by the fact that European countries are doing that now, or, at least, seriously considering it.

Mr. WALKER. I thought Roumania had sold her silver?

Mr. LEECH. She sold 25,000,000 francs. She still has 22,000,000 left.

Mr. WALKER. At what price did she sell her silver?

Mr. LEECH. At about a dollar and six and a half cents per fine ounce, a loss of over 25 cents an ounce.

Mr. VAUX. Does this bill provide that the Government shall buy silver at a certain price?

Mr. LEECH. At a fixed price, \$1.2929 per fine ounce.

Mr. VAUX. What is the market price of that ounce?

Mr. LEECH. A dollar and five cents.

Mr. VAUX. Then the Government pays a dollar and five cents for the raw material and gives to the people at \$1.2929. That difference the Government makes and the people lose?

Mr. BLAND. Do you believe that under free coinage the Government buys anything at all?

Mr. LEECH. Under this bill they would. I understand Mr. Bland's bill makes all the certificates full legal tender.

Mr. BLAND. I simply mean free coinage stripped of any certificates. I mean the naked question of free coinage stripped of any certificates. Do you believe that under free coinage the Government buys anything at all?

Mr. VAUX. The people do not give it to the Government.

Mr. WILLIAMS. How much does it cost the Government every year?

Mr. BARTINE. Just what it costs to coin it.

Mr. BLAND. The Government has no responsibilities after it is coined?

Mr. LEECH. Yes, sir; it requires that it shall be taken as full legal tender in the payment of all debts. The Government does not simply coin it and stamp it.

Mr. BLAND. The Government does not buy it and it is not responsible for it.

Mr. LEECH. The Government is responsible for it.

Mr. BLAND. If it were it would keep it at par with gold.

Mr. LEECH. Why so?

Mr. BLAND. Because gold is the standard of value in the United States. Has not the Congress as much right to make silver the standard?

Mr. LEECH. Certainly.

Mr. BLAND. Is not Congress the representative of the people?

Mr. LEECH. Yes, sir.

Mr. BLAND. When you talk about the purchase of silver where is the purchase on the part of the Government any more than the purchase of gold?

Mr. LEECH. We purchase gold now. We do not take gold and coin it for the people. That is the theory of the law. We give a man a check as soon as it is assayed. We would do the same with silver under your bill. I do not see any practical difference between free coinage and unlimited purchase of silver, except one is a shorter method.

Mr. BLAND. That is discretionary with the depositor. The depositor has the right to wait until he gets his coin.

Mr. LEECH. He does not want to wait.

Mr. BARTINE. It is merely to obviate the necessity of waiting?

Mr. LEECH. Yes, sir.

Mr. WALKER. If I understand your statement, the Government does purchase it. It amounts practically to a purchase.

Mr. BLAND. I was asking as to laws and not as to opinions or as to policies or discretionary powers.

The CHAIRMAN. What is the capacity of the mints to coin silver dollars?

Mr. LEECH. About three million and half silver dollars a month, working regular hours.

The CHAIRMAN. Could you coin any more?

Mr. LEECH. We could probably coin 5,000,000 a month by working day and night.

Mr. WILLCOX. If we are to have free coinage of silver—if you are willing to answer the question—should there be a change, in your judgment, in the present ratio of gold and silver?

Mr. LEECH. That is a very grave question. There should be a uniform ratio, whether ours or Europe's, I am not prepared to say. There are many difficulties in the way of a change of ratio. My judgment is that if the United States should open its mints to the free coinage of silver at its present ratio of 16 to 1 it would effectually prevent European nations from doing so at their ratio of $15\frac{1}{2}$ to 1. I have prepared some statistical tables which I think will be of interest to the committee and possibly of profit. They may answer a great many questions which would otherwise be asked by the committee. If it is agreeable to the committee I will simply state what they are and leave them with the committee.

Mr. VAUX. And have them printed.

The CHAIRMAN. They can go into the record.

The papers referred to are as follows:

Quantity and cost of silver bullion delivered on purchases at the coinage mints during the calendar year 1890.

Months.	Fine ounces.	Cost.
1890.		
January	2,826,436.99	\$2,734,386.03
February	2,363,539.28	2,283,566.67
March	2,402,662.93	2,305,639.34
April	1,843,230.92	1,823,860.35
May	2,226,579.39	2,317,836.14
June	2,179,689.02	2,293,589.56
July	2,111,597.51	2,276,452.47
August	4,194,670.22	4,915,187.37
September	3,885,698.26	4,542,020.47
October	4,840,281.00	5,358,992.62
November	4,509,469.47	4,640,900.97
December	4,511,236.64	4,777,068.43
Total	37,895,091.63	40,269,500.42

Average cost per fine ounce for the year	\$1.063—
Average cost under act February 28, 1878	1.01+
Average cost under act July 14, 1890	1.1037

Coinage executed at the mints of the United States during the calendar year 1890.

Denomination.	Philadelphia.		San Francisco.		Carson.	
	Pieces.	Value.	Pieces.	Value.	Pieces.	Value.
GOLD.						
Double eagles	75,995	\$1,519,900.00	802,750	\$16,055,000.00	91,209	\$1,824,180.00
Eagles	58,043	580,430.00	.....	.....	17,500	175,000.00
Half eagles	4,328	21,640.00	.....	.....	53,800	269,000.00
Quarter eagles	8,813	22,032.50	.....	.....	.....	.....
Total gold	147,179	2,144,002.50	802,750	16,055,000.00	162,509	2,268,180.00
SILVER.						
Dollars	16,802,590	16,802,590.00	8,230,373	8,230,373.00	2,309,041	2,309,041.00
Half dollars	12,590	6,295.00	.....	.....	.....	.....
Quarter dollars	80,590	20,147.50	.....	.....	.....	.....
Dimes	9,911,541	991,154.10	1,423,076	142,307.60	.....	.....
Total silver	26,807,311	17,820,186.60	9,653,449	8,372,680.60	2,309,041	2,309,041.00
MINOR.						
Five cents	16,259,272	812,963.60	.....	.....	.....	.....
One cent	57,182,854	571,828.54	.....	.....	.....	.....
Total minor	73,442,126	1,384,792.14	.....	.....	.....	.....
Total coinage	100,396,616	21,348,981.24	10,456,199	24,427,680.60	2,471,550	4,577,221.00

Coinage executed at the mints of the United States, etc.,—Continued.

Denomination.	New Orleans.		Total.	
	Pieces.	Value.	Pieces.	Value.
GOLD.				
Double eagles.....			969,954	\$19,399,080.00
Eagles.....			75,543	755,430.00
Half eagles.....			58,128	290,640.00
Quarter eagles.....			8,813	22,032.50
Total gold.....			1,112,438	20,467,182.50
SILVER.				
Dollars.....	10,701,000	\$10,701,000.00	38,043,004	38,043,004.00
Half dollars.....			12,590	6,295.00
Quarter dollars.....			80,590	20,147.50
Dimes.....			11,334,617	1,133,461.70
Total silver.....	10,701,000	10,701,000.00	49,470,891	39,202,908.20
MINOR.				
Five cents.....			16,259,272	812,963.60
One cent.....			57,182,854	571,828.54
Total minor.....			73,442,126	1,384,792.14
Total coinage.....	10,701,000	10,701,000.00	124,025,365	61,054,882.84

Silver dollars coined under act February 28, 1878.....	\$26,308,879
Silver dollars coined under act July 14, 1890.....	11,734,125
	38,043,004

Imports and exports of gold and silver from the United States for the calendar year 1890.

[Excluding exports copper matte, Baltimore and New York.]

IMPORTS.

Months.	Gold.				Silver.			
	Bars.	Coin.	Ore.	Total.	Bars.	Coin.	Ore.	Total.
1890.								
January.....	\$139,504	\$920,333	\$5,593	\$1,065,430	\$452,365	\$1,010,808	\$633,233	\$2,096,406
February....	175,126	1,301,307	3,735	1,480,168	369,080	701,801	674,112	1,744,993
March.....	533,780	1,088,652	10,328	1,632,760	339,987	857,168	705,977	1,903,132
April.....	122,620	355,733	5,669	484,022	405,690	1,167,772	698,235	2,271,697
May.....	158,244	122,658	17,129	298,031	1,900,416	1,679,120	682,132	4,261,668
June.....	168,028	217,802	8,939	394,769	868,944	981,290	749,293	2,599,527
July.....	123,981	1,063,523	12,186	1,199,690	313,055	972,605	680,164	1,965,824
August.....	188,509	1,536,056	19,443	1,744,008	696,733	1,176,212	693,148	2,566,093
September...	189,992	1,235,640	24,890	1,450,522	779,388	1,619,053	931,837	3,330,278
October.....	187,122	2,434,516	14,856	2,636,494	1,081,337	1,561,445	757,284	3,400,066
November...	178,570	1,747,831	15,558	1,941,959	443,090	1,155,000	541,672	2,139,762
December...	284,689	5,748,324	11,040	6,044,053	496,036	1,386,823	695,352	2,578,211
Total....	2,450,165	17,772,375	149,366	20,371,906	8,146,121	14,269,095	8,442,439	30,857,655

Imports and exports of gold and silver from the United States, etc.—Continued.

EXPORTS.

1890.								
January	\$26,718	\$434,251	.....	\$460,969	\$2,242,932	\$904,353	.....	\$3,147,285
February	11,038	1,159,652	.....	1,170,690	1,868,982	436,153	\$8,443	2,313,578
March	12,433	1,444,391	.....	1,456,824	2,130,359	1,006,447	10,327	3,147,133
April	7,881	1,044,474	.....	1,052,355	1,500,769	1,158,007	100	2,658,876
May	11,021	277,599	.....	288,620	50,715	1,346,931	33,592	1,431,238
June	3,105,602	625,764	.....	3,731,366	242,116	733,643	.....	975,759
July	11,193,129	666,900	\$34	11,860,063	2,243,641	558,706	1,351	2,803,698
August	1,782,808	353,045	.....	2,135,853	880,630	1,140,495	1,259	2,022,384
September	17,766	263,861	.....	281,627	2,170,106	433,232	3,358	2,606,696
October	51,383	373,852	.....	425,235	182,750	388,329	3,832	574,909
November	17,989	549,163	.....	567,152	1,343,904	741,322	5,657	2,090,883
December	43,656	588,698	.....	632,354	1,145,254	1,690,015	5,320	2,840,589
	16,281,424	7,781,650	34	24,063,108	16,002,158	10,537,631	73,239	26,613,028

Imports and exports of silver from May 1 to December 1, 1890

IMPORTS.

Months.	Bars.	United States coin.	Foreign coin.	Ore.	Total.
May	\$1,900,416	\$44,083	\$1,635,037	\$682,132	\$4,261,668
June	868,944	19,521	961,769	749,293	2,599,527
July	313,055	9,937	962,668	680,164	1,965,824
August	696,733	52,241	1,123,971	693,148	2,566,093
September	779,388	139,875	1,479,178	931,837	3,330,278
October	1,081,337	22,799	1,538,646	757,284	3,400,066
November	443,090	19,311	1,135,689	541,672	2,139,762
December	496,036	23,594	1,363,229	695,352	2,578,211
Total	6,578,999	331,361	10,200,187	5,730,882	22,841,429

EXPORTS.

May	50,715	50	1,346,881	33,592	1,431,238
June	242,116	167	733,476	.....	975,759
July	2,243,641	4,638	554,068	1,351	2,803,698
August	880,630	2,177	1,138,318	1,259	2,022,384
September	2,170,106	20,142	413,090	3,358	2,606,696
October	182,750	27,385	360,942	3,832	574,909
November	1,343,904	21,795	719,527	5,657	2,090,883
December	1,145,254	17,748	1,672,267	5,320	2,840,589
Total	8,259,116	94,102	6,938,569	54,369	15,346,156

Exports of domestic silver bullion from the United States.

[From official statements reported by Chief of Bureau of Statistics annually to the Director of the Mint.]

[Commercial value in gold coin.]

Fiscal year.	Amount exported.	Fiscal years.	Amount exported.
June 30—		June 30—	
1878	\$15,035,045	1885	\$20,422,924
1879	11,883,064	1886	18,693,313
1880	6,912,864	1887	16,941,713
1881	11,852,995	1888	20,563,956
1882	11,653,547	1889	25,217,903
1883	12,551,378	1890	22,291,911
1884	14,241,050		
		Total	208,261,663

Imports and exports of gold, bullion, and coin each year from 1875.

Fiscal years.	Imports.	Exports.	Fiscal years.	Imports.	Exports.
1875	\$13,696,793	\$66,980,977	1884	\$22,831,311	\$41,081,957
1876	7,992,709	31,177,050	1885	26,691,696	8,477,892
1877	26,246,234	26,590,374	1886	20,743,349	42,952,191
1878	13,330,245	9,204,455	1887	42,910,601	9,701,187
1879	5,624,948	4,587,614	1888	43,934,317	18,376,234
1880	80,758,396	3,639,025	1889	10,372,145	60,033,246
1881	100,031,259	2,565,132	1890	13,097,146	17,350,193
1882	34,377,054	32,587,880			
1883	17,734,149	11,600,888	Total	480,372,328	386,906,295

Table showing the estimated stock of silver held by foreign countries, the statement of each, and the ratio of gold to silver in coinage.

Countries.	Full legal tender.	Limited tender.	Total.	Standard.	Ratio of full legal tender silver to gold.	Ratio of limited tender silver to gold.
United Kingdom.....		\$100,000,000	\$100,000,000	Gold		1- 1428
France	\$650,000,000	50,000,000	700,000,000	Bi-metallic..	1-155	1- 1438
Germany	102,000,000	103,000,000	205,000,000	Gold		1-13957
Belgium	48,400,000	6,600,000	55,000,000	Bi-metallic..	1-155	1- 1438
Italy	25,800,000	34,200,000	60,000,000	do	1-155	1- 1438
Switzerland	11,400,000	3,600,000	15,000,000	do	1-155	1- 1438
Greece	1,800,000	2,200,000	4,000,000	do	1-155	1- 1438
Spain	90,000,000	35,000,000	125,000,000	do	1-155	1- 1438
Portugal		10,000,000	10,000,000	Gold		1- 1408
Austria-Hungary ..	90,000,000		90,000,000	Silver	1-153	
Netherlands	61,800,000	3,200,000	65,000,000	Bi-metallic..	1-155	1- 15
Scandinavian Union.		10,000,000	10,000,000	Gold		1- 1488
Russia	22,000,000	38,000,000	60,000,000	Silver	1-155	1- 15
Turkey		45,000,000	45,000,000	Gold		1- 151
Australia		7,000,000	7,000,000	do		1- 1428
Egypt		15,000,000	15,000,000	do		1- 1568
Mexico	50,000,000		50,000,000	Silver	1-165	
Central American States.	500,000		500,000	do	1-155	
South America	25,000,000		25,000,000	do	1-155	
Japan	50,000,000		50,000,000	Bi-metallic..	1-1618	
India	900,000,000		900,000,000	do	1-15	
China	700,000,000		700,000,000	do		
The Straits	100,000,000		100,000,000	do		
Canada		5,000,000	5,000,000	Gold		1- 1495
Cuba, Hayti, etc ..	1,200,000	800,000	2,000,000	Bi-metallic..	1-155*	
Total	2,929,900,000	468,600,000	3,398,500,000			

* Hayti.

Table showing the stock of full legal-tender silver coin in Europe.

Countries.	Full legal tender.	Countries.	Full legal tender.
France	\$650,000,000	Austria-Hungary	\$90,000,000
Germany	102,000,000	Netherlands	61,800,000
Belgium	48,400,000	Russia	22,000,000
Italy	25,800,000		
Switzerland	11,400,000	Total	1,101,400,000
Spain	90,000,000		

Specie holdings of the principal European banks.

Banks—	November 20, 1890.		
	Gold.	Silver.	Total.
Of England.....	£22,557,908	.....	£25,557,908
Of France.....	44,586,000	£49,908,000	94,494,000
Of Germany.....	25,126,667	12,563,333	37,690,000
Of Austria-Hungary.....	4,905,000	16,654,000	21,559,000
Of Netherlands.....	3,656,000	5,271,000	8,927,000
Of National Belgium.....	2,754,000	1,377,000	4,131,000
Total.....	103,585,575	85,773,333	189,358,908

Approximate amount of gold and silver money in the world.

Countries.	Gold.	Silver.	Countries.	Gold.	Silver.
United States.....	\$708,000,000	\$482,071,346	Australia.....	\$100,000,000	\$7,000,000
United Kingdom.....	550,000,000	100,000,000	Egypt.....	100,000,000	15,000,000
France.....	900,000,000	700,000,000	Mexico.....	5,000,000	50,000,000
Germany.....	500,000,000	205,000,000	Central American	.....	500,000
Belgium.....	65,000,000	55,000,000	States.....	.....	.....
Italy.....	140,000,000	60,000,000	South America.....	45,000,000	25,000,000
Switzerland.....	15,000,000	15,000,000	Japan.....	90,000,000	50,000,000
Greece.....	2,000,000	4,000,000	India.....	.....	900,000,000
Spain.....	100,000,000	125,000,000	China.....	.....	700,000,000
Portugal.....	40,000,000	10,000,000	The Straits.....	.....	100,000,000
Austria-Hungary.....	40,000,000	90,000,000	Canada.....	16,000,000	5,000,000
Netherlands.....	25,000,000	65,000,000	Cuba, Hayti, etc.....	20,000,000	2,000,000
Scandinavian Union..	32,000,000	10,000,000	Total.....	3,733,000,000	3,880,891,346
Russia.....	190,000,000	60,000,000			
Turkey.....	50,000,000	45,000,000			

Statement showing the money in circulation in the United States January 1, 1891.

Gold coin.....	\$411,080,597.00	United States notes.....	\$343,485,385.00
Standard silver dollars.....	67,547,023.00	National bank notes.....	173,938,259.00
Subsidiary silver.....	58,651,154.00	Total.....	1,528,935,943.00
Gold certificates.....	144,047,279.00		
Silver certificates.....	308,289,463.00		
Treasury notes, act July 14, 1890.....	21,896,783.00		

Net increase..... \$24,199,340.00

CIRCULATION.

The following tables exhibit the comparative amounts of the various kinds of money in actual circulation at several different periods. The various sums stated in the tables are all exclusive of money in the Treasury. They represent, as nearly as is possible, the exact amounts of the several kinds of money in actual circulation among the people at the periods named.

TABLE NO. 1.—*Comparative statement showing the changes in circulation during twenty years from October 1, 1870, to October 1, 1890.*

	In circulation October 1, 1870.	In circulation October 1, 1890.	Decrease.	Increase.
Gold coin.....	\$78,985,305.00	\$386,939,723.00	.....	\$307,954,418.00
Standard silver dollars.....		62,132,454.00	.....	62,132,454.00
Subsidiary silver and fractional currency.....	38,988,995.00	56,311,846.00	.....	17,322,851.00
Gold certificates.....	28,511,000.00	158,104,739.00	.....	129,593,739.00
Silver certificates.....		309,321,207.00	.....	309,321,207.00
Treasury notes, act July 14, 1890.....		7,106,500.00	.....	7,106,500.00
United States notes.....	329,489,221.00	340,905,726.00	.....	11,416,505.00
National bank notes.....	294,337,479.00	177,250,514.00	\$117,086,965.00	.....
Total.....	770,312,000.00	1,498,072,709.00	117,086,965.90	844,847,674.06

Net increase.....	\$727,760,709
Average net increase per month.....	3,032,336
Circulation per capita in 1870.....	19.978
Circulation per capita in 1890.....	23.969

TABLE NO. 2.—*Comparative statement showing the changes in circulation during ten years from October 1, 1880, to October 1, 1890.*

	In circulation October 1, 1880.	In circulation October 1, 1890.	Decrease.	Increase.
Gold coin.....	\$261,320,920.00	\$386,939,723.00	.....	\$125,618,803.00
Standard silver dollars.....	22,914,075.00	62,132,454.00	.....	39,218,379.00
Subsidiary silver.....	48,368,543.00	56,311,846.00	.....	7,943,303.00
Gold certificates.....	7,480,100.00	158,104,739.00	.....	150,624,639.00
Silver certificates.....	12,203,191.00	309,321,207.00	.....	297,118,016.00
Treasury notes, act July 14, 1890.....		7,106,500.00	.....	7,106,500.00
United States notes.....	329,417,403.00	340,905,726.00	.....	11,488,323.00
National bank notes.....	340,329,453.00	177,250,514.00	\$163,078,939.00	.....
Total.....	1,022,033,685.00	1,498,072,709.00	163,078,939.00	639,117,963.00

Net increase.....	\$476,039,024
Average net increase per month.....	3,966,992
Circulation per capita in 1880.....	20.377
Circulation per capita in 1890.....	23.969

TABLE NO. 3.—*Comparative statement showing the changes in circulation during period from March 1, 1889, to October 1, 1890.*

	In circulation March 1, 1889.	In circulation October 1, 1890.	Decrease	Increase.
Gold coin.....	\$379,497,911.00	\$386,939,723.00	.....	\$7,441,812.00
Standard silver dollars.....	57,581,904.00	62,132,454.00	.....	4,550,550.00
Subsidiary silver.....	59,944,751.00	56,311,846.00	.....	4,367,095.00
Gold certificates.....	130,210,717.00	158,104,739.00	.....	27,894,022.00
Silver certificates.....	246,628,953.00	309,321,207.00	.....	62,692,254.00
Treasury notes, act July 14, 1890.....		7,106,500.00	.....	7,106,500.00
United States notes.....	317,380,505.00	340,905,726.00	.....	23,525,221.00
National bank notes.....	220,961,155.00	177,250,514.00	\$43,710,641.00	.....
Totals.....	1,404,205,896.00	1,498,072,709.00	43,710,641.00	137,577,454.00

Increase of circulation per capita in nineteen months, about \$1.51.

Net increase.....	\$93,866,813
Average net increase per month.....	4,940,358

TABLE No. 4.—*Comparative statement showing the changes in circulation during period from March 1, 1885, to October 1, 1886.*

	In circulation March 1, 1885.	In circulation October 1, 1886.	Decrease.	Increase.
Gold coin	\$334, 268, 447. 00	\$364, 894, 599. 00	.....	\$30, 626, 152. 00
Standard silver dollars	40, 686, 187. 00	60, 170, 793. 00	.....	19, 484, 606. 00
Subsidiary silver	44, 802, 220. 00	48, 176, 838. 00	.....	3, 374, 618. 00
Gold certificates	112, 683, 290. 00	84, 691, 807. 00	\$27, 991, 483. 00	.....
Silver certificates	111, 467, 951. 00	95, 387, 112. 00	16, 080, 839. 00	.....
United States notes	327, 954, 194. 00	310, 161, 935. 00	17, 792, 259. 00	.....
National bank notes	314, 886, 770. 00	301, 406, 477. 00	13, 480, 293. 00	.....
Totals	1, 286, 749, 059. 00	1, 264, 889, 561. 00	75, 344, 874. 00	43, 485, 376. 00

Decrease of circulation per capita in 19 months, about 40 cents.

Net decrease \$21, 859, 498
Average net decrease per month 1, 150, 500

TABLE No. 5.—*Comparative statement showing the changes in circulation during period from July 1 to October 17, 1890.*

	In circulation July 1, 1890.	In circulation October 1, 1890.	Decrease.	Increase.
Gold coin	\$374, 396, 281. 00	\$386, 939, 723. 00	.....	\$12, 543, 342. 00
Standard silver dollars	56, 166, 356. 00	62, 132, 454. 00	.....	5, 966, 098. 00
Subsidiary silver	54, 069, 743. 00	56, 311, 846. 00	.....	2, 242, 103. 00
Gold certificates	131, 380, 619. 00	158, 104, 739. 00	.....	26, 724, 720. 00
Silver certificates	297, 210, 043. 00	309, 321, 207. 00	.....	12, 111, 164. 00
Treasury notes, act July 14, 1890 .....	.....	7, 106, 500. 00	.....	7, 106, 500. 00
United States notes	334, 876, 826. 00	340, 905, 726. 00	.....	6, 028, 900. 00
National bank notes	181, 619, 008. 00	177, 250, 514. 00	\$4, 368, 494. 00	.....
Totals	1, 429, 716, 376. 00	1, 498, 072, 709. 00	4, 368, 494. 00	72, 722, 827. 00

Net increase \$68, 354, 333
Average net increase per month 22, 784, 778

Table No. 1 shows that during the last twenty years the net aggregate increase of money in actual circulation among the people was \$727,760,709. Average monthly increase during that period, \$3,032,336. Per capita increase, \$4.991.

Table No. 2 shows that for the last ten years the aggregate increase has been \$476,039,024. Average monthly increase for same period, \$3,966,992. Per capita increase, \$3.592.

Table No. 3 shows that for the period of nineteen months from March 1, 1889, to October 1, 1890, the aggregate increase has been \$93,866,813. Average monthly increase on same period, \$4,940,358. Per capita increase, about \$1.50.

Table No. 4 shows that for the corresponding period of nineteen months from March 1, 1885, to October 1, 1886, the aggregate decrease in circulation among the people was \$21,859,493. Average monthly decrease for same period, \$1,150,500. Per capita decrease, about 40 cents.

Table No. 5 shows that for the period of three months from July 1 to October 1, 1890, the aggregate increase of circulation in actual use among the people was \$68,354,339. Average monthly increase for same period of three months, \$22,784,778.

These various changes in the amounts, in actual circulation among the people, were caused partly by the additions of new kinds of money, partly by the retirement of certain other kinds, and sometimes very largely by the policies pursued by the Treasury Department. The policy of hoarding, in order to show a very large surplus, accounts mainly for the heavy decrease of circulation shown from March, 1885, to October, 1886. The opposite policy of keeping the surplus as low as practicable by the purchase of United States bonds, and thereby saving interest, and at the same time returning the money to the channels of trade, largely accounts for the remarkable increase in circulation during the last nineteen months, as shown in tables Nos. 3 and 5.

This fact will be more readily understood by the statement that from March 4, 1885, to October 1, 1886, the total amount disbursed in redemption of bonds was \$79,026,200, while for a corresponding period from March 4, 1889, to October 1, 1890, the total amount disbursed in the redemption and purchase of bonds was \$239,799,091.

The following table has been compiled from the latest data attainable for the purpose of exhibiting by way of comparison the stock of gold, silver, and paper money in circulation in the United States and in the three principal countries of Europe:

Estimated amount of gold, silver, and notes in circulation in the United Kingdom, France, Germany, and the United States.

Countries.	Popula- tion.	Gold circu- lation.	Silver cir- culation.	Notes out- standing.	Total metal- lic and paper.	Per capita circulation.			
						Gold.	Silver.	Paper.	Total.
France	38, 250, 000	\$900, 000, 000	\$700, 000, 000	\$594, 000, 000	\$2, 194, 000, 000	\$23. 53	\$18. 30	\$15. 53	\$57. 36
United King- dom	38, 165, 000	550, 000, 000	100, 000, 000	190, 000, 000	840, 000, 000	14. 41	2. 62	4. 98	22. 01
Germany	48, 000, 000	500, 000, 000	215, 000, 000	275, 000, 000	990, 000, 000	10. 42	4. 48	5. 73	20. 63
United States ..	64, 000, 000	375, 607, 112	116, 298, 802	938, 728, 545	1, 430, 634, 459	5. 87	1. 82	14. 67	22. 36

In compiling this table the metallic reserves of the banks of the United Kingdom, the Bank of France, and the Imperial Bank of Germany have been included in the amount of gold and silver in circulation, and the total bank notes outstanding in the amount of paper money in circulation, whereas in the United States the entire amount of gold and silver in the Treasury has been deducted.

This is an important fact to be considered in making comparisons between the amount of money in circulation in this and European countries.

In European statistics of circulation it is customary to deduct from the bank notes in circulation the metallic reserves held by the banks for their redemption against which the notes are issued, and to class as in circulation only the "uncovered" notes.

This is done to prevent double employment, as both the notes issued and the specie held for their redemption do not perform the duty of a circulating medium at the same time.

Following this method, which is that used by Dr. Soetbeer and other European statisticians, the following table has been compiled, showing the amount of metallic money and "uncovered" notes in three of the principal countries of Europe and in the United States:

Stock of gold, silver, and uncovered notes in the United Kingdom, France, Germany, and United States.

Countries.	Popula- tion.	Gold stock.	Silver stock.	Uncovered notes.	Total metal- lic and un- covered stock.	Per capita.			
						Gold.	Silver.	Paper.	Total.
France	38, 250, 000	\$900, 000, 000	\$700, 000, 000	\$104, 000, 000	\$1, 704, 000, 000	\$23. 53	\$18. 30	\$2. 72	\$44. 55
United King- dom	38, 165, 000	550, 000, 000	100, 000, 000	60, 000, 000	710, 000, 000	14. 41	2. 62	1. 57	18. 60
Germany	48, 000, 000	500, 000, 000	215, 000, 000	150, 000, 000	865, 000, 000	10. 42	4. 48	3. 12	18. 02
United States ..	64, 000, 000	689, 275, 007	438, 388, 624	432, 793, 583	1, 560, 457, 214	10. 77	6. 85	6. 76	24. 38

In this table the gold certificates outstanding are embraced in the gold stock and the silver certificates in the silver stock, and both amounts have been deducted from the amount of paper money outstanding.

From the legal-tender notes outstanding has been deducted \$100,000,000 of gold coin held in the Treasury for their redemption, leaving as the amount of "uncovered" paper money in the United States \$231,007,091 legal-tender notes, \$192,730,050 national-bank notes, \$9,000,000 certificates of deposit for legal-tender notes, and \$56,442 "old demand" notes, a total of \$432,793,583.

THE COURSE OF SILVER.

The average price of silver in the London market during the year 1833 was 59 $\frac{1}{8}$ pence per ounce, British standard (925 M fine), equivalent to \$1.2974 per ounce of fine silver.

Between 1833 and 1849 it fluctuated slightly, not going below $59\frac{3}{16}$ pence, and reaching as high in 1839 and 1840 as $60\frac{2}{3}$ pence, and averaging for the year 1849 $59\frac{3}{4}$.

From this period the price continued to advance until in 1859 it had reached an average of $62\frac{1}{16}$ pence.

The rise between 1850 and 1859 was attributed to the large increase in the production of gold in California and Australia, the effect of which was to enlarge the supply of that metal without any material increase in the production of silver. The rise in price was the greater from the large loans made (presumably in silver) to India for public improvements and for demands incidental to the suppression of the mutiny of 1857.

In 1860 a decline took place, which continued to 1866, when the average price ranged from $61\frac{1}{16}$ to $61\frac{1}{8}$ pence. This rate was in a measure maintained until after the close of the civil war in the United States. In consequence of the falling off in the supply of cotton from America this staple was extensively cultivated in India during the same period, thereby occasioning a demand for silver in that country. From 1867 to 1872 the variation in the yearly average price was only $\frac{1}{16}$ pence.

In 1873 the average price of silver was $59\frac{1}{4}$ pence. From that time forward the decline has been steady and continuous each year, with three exceptions.

In 1886 the average price was $45\frac{2}{3}$ pence, being a decline in fourteen years of over 23 per cent.

For a period of forty years the rise in the price of silver was about 2 per cent., yet in the subsequent short period of fourteen years the decline in price was over 23 per cent. What were the causes of so great a decline?

These causes may be briefly stated as follows:

In December, 1865, a monetary treaty was entered into between France, Switzerland, Italy, and Belgium, to which Greece subsequently became a party. The convention prescribed the denomination, weight, and fineness of the coins that should in the future be struck by each of the contracting parties. By the terms of this convention the coinage of gold was unlimited in amount, and the coinage of 5-franc silver pieces of full legal-tender value was permitted without limitation in all of the States comprising the Union, at the ratio of $15\frac{1}{2}$ ounces of silver to one ounce of gold. All other silver coins were made subsidiary and to be coined only on Government account. The treaty has been modified and renewed on several occasions, but the main objects have been preserved.*

In 1871 and 1873 laws were enacted by Germany by which gold was made the sole standard of value and silver demonetized. All silver coins which had previously been issued and received in the several states of the German Empire were called in.

In order to procure the necessary gold for coinage purposes Germany was forced to sell from time to time up to 1879 large quantities of silver from its store of melted silver coins, including the large amount received after the close of the Franco-Prussian war from France in payment of indemnity. The effect of this legislation was the creation of a demand for gold in Germany and an increase of the supply of silver bullion or melted coins in other countries, followed by a depreciation of the price of the latter metal. In the mean time there was a large increase in the production of silver, which, with other causes, tended to further depreciate the price.

Owing to the fact that it became profitable to brokers and exchange dealers to purchase silver in Germany and send it to the states comprising the Latin Union for coinage into silver 5-franc pieces, it was decided by the contracting parties in 1874 to limit the amount of 5-franc pieces to be coined by each. This, however, did not steady the price, and in 1878 the states of the Latin Union decided to close their mints to the coinage of full legal-tender silver, since which time this coinage has not been resumed.

The action of Germany in demonetizing silver was followed in December, 1872, by Norway, Sweden, and Denmark. These states entered into a monetary treaty, formally ratified by Denmark and Sweden in 1873 and by Norway in 1875, adopting the single gold standard and making silver subsidiary, to be coined only by the states for change purposes.

In 1875 Holland, which had been on a silver basis from 1847, adopted the "double" standard nominally, at the anomalous ratio of 1 to $15\frac{1}{2}$, but in fact prohibited the coinage of silver, thus practically going over to a gold basis.

By the law of September 9, 1876, Russia suspended the coinage of silver, except such as was necessary for trade with China.

In Austria-Hungary, while the silver standard legally prevails, gold only has been coined for individuals since 1879, except in the coinage of Levant thalers, a trade silver coin.

* See a "Short Account of the Latin Monetary Union," by Henry Chevassus, as printed in the Journal of the Institute of Bankers, London, VII, 1886, 570-597, since the above much shorter account was prepared.

By the act of February 12, 1873, the coinage of silver in the United States of full legal tender quality was not provided for. Gold was made the standard of value. But at the time this act was passed the United States was practically on a paper basis, so that the new law can not be said to have appreciably affected the price of silver. Moreover, silver was received from individuals for coinage into trade dollars up to 1878, and large purchases of silver were made for subsidiary silver coinage under the acts of 1873 and 1875, to take the place of fractional paper currency, which had been used for subsidiary purposes since 1862.

By the act of February 28, 1878, the coinage on Government account of the silver dollar of full legal-tender quality was authorized. Silver for this purpose has been obtained by the purchase of some \$24,000,000 worth each year. Notwithstanding purchases of such magnitude the decline of price has not been arrested.

The annual supply of silver from the mines of the world has largely increased in the last fourteen years—the period covered by the great decline in the market price of silver—having doubled since 1872; that is, from some \$62,000,000 in that year to about \$124,000,000 in 1886.

SILVER IN 1890.

There was a marked improvement in the price of silver during the fiscal year ended June 30, 1890.

At the commencement of the fiscal year, the price in London was 42 pence, and at the close 47½, an advance of 5½ pence, equivalent to 12.6 cents per fine ounce.

Several causes contributed to this advance, the principal being the very general belief, which was justified, that there would be additional legislation favorable to silver by the Congress of the United States. The very large silver coinage by Great Britain for home and colonial use also stimulated the price.

The exports of silver to India were largely in excess of the previous year. For the fiscal year 1889, the exports of silver from London to India aggregated £5,530,814 while, for the fiscal year 1890, they were £9,010,793, an increase of £3,479,970, or over \$15,000,000.

The rise in the price of silver was slight to October 1, 1889. At that date, it had reached 42½ pence. After that date the advance was more rapid, the price reaching, October 31, 43½ pence; November 30, 44½ pence, and December 31, 44 pence. In January the price rose so as to make the average for that month 44½ pence. Early in March, the Indian council announced that the amount of council bills to be awarded weekly would be increased from 35 to 40 lacs,* and as no favorable legislation upon the part of the United States had as yet been enacted the price of silver declined, the average for the month of March being 43.9 pence, and the closing price March 31 being 43½. Early in April, the price rose again and by the 25th had reached 48 pence, but as rapidly declined, closing, on the 30th, at 46½ pence. In May, the price fluctuated between 46½ and 47½ pence, the average for the month being 46.97 pence. In June the price again fluctuated, opening on the 1st at 46½ pence, while on the 9th it had reached 49 pence. From this price it declined until, on the 14th, it was 47½ pence. On the 18th and 19th it rose to 48½ pence, and, from that point, declined until it closed on the 30th at 47½ pence, the average price for the month being 47.727 pence.

The lowest price of silver, during the year, was at the beginning, 42 pence, equivalent to \$0.92068 per fine ounce, and the highest, 49 pence, on June 9, equivalent to \$1.0741. The average price of silver in London, during the fiscal year, was 44.196 pence, equivalent, at the par of exchange, to \$0.96883 per fine ounce. The average monthly New York price of fine bar silver was, for the same period, \$0.96804 per ounce.

At the equivalent of the average London price, during the year, the commercial value of the silver contained in a silver dollar was 74.93 cents, at the lowest price 71.2 cents, and at the highest price 83.07 cents.

The highest, lowest, and mean price of silver in London, each month during the fiscal year 1890 and the calendar year 1889, according to daily cablegrams to this

*A lac is 100,000 rupees.

Bureau, and the equivalent value of an ounce of fine silver, are set forth in the following tables:

Highest, lowest, and average price of silver bullion and value of a fine ounce each month during the fiscal year 1890.

Months.	Highest.	Lowest.	Average price per ounce, British standard, .925 fine.	Equivalent value of a fine ounce with exchange at par, \$4.8665.	Average monthly price at New York of exchange on London.	Equivalent value of a fine ounce, based on average monthly price and average rate of exchange.	Average monthly New York price of fine bar silver.
1889.	<i>Pence.</i>	<i>Pence.</i>	<i>Pence.</i>				
July	42 $\frac{5}{8}$	42	42.159	\$0.92417	\$4.8776	\$0.92638	\$0.92558
August	42 $\frac{9}{8}$	42 $\frac{1}{4}$	42.349	0.92834	4.8731	0.92959	0.92843
September	42 $\frac{11}{8}$	42 $\frac{3}{8}$	42.522	0.93213	4.8798	0.93477	0.92589
October	43 $\frac{1}{2}$	42 $\frac{5}{8}$	42.944	0.94382	4.8612	0.94036	0.94120
November	44 $\frac{3}{8}$	43 $\frac{5}{8}$	43.923	0.96284	4.8500	0.95956	0.96100
December	44 $\frac{3}{8}$	43 $\frac{1}{2}$	43.967	0.96381	4.8419	0.95894	0.95880
1890.							
January	44 $\frac{7}{8}$	44 $\frac{1}{8}$	44.502	0.97554	4.8612	0.97447	0.97510
February	44 $\frac{5}{8}$	43 $\frac{5}{8}$	44.042	0.96545	4.8674	0.96563	0.96668
March	44 $\frac{3}{8}$	43 $\frac{1}{2}$	43.908	0.96251	4.8550	0.96024	0.96149
April	48	43 $\frac{7}{8}$	45.451	0.99634	4.8722	0.99751	1.00538
May	47 $\frac{1}{2}$	46	46.971	1.02966	4.8596	1.02820	1.04890
June	49	46 $\frac{1}{2}$	47.727	1.04623	4.8737	1.04778	1.05750
Average .....	.....	.....	44.196	0.96883	4.8643	0.96839	0.96804

Highest, lowest, and average price of silver bullion and value of a fine ounce each month during the calendar year 1889.

Months.	Highest.	Lowest.	Average price per ounce, British standard, .925.	Equivalent value of a fine ounce with exchange at par, \$4.8665.	Average monthly price at New York of exchange on London.	Equivalent value of a fine ounce based on average monthly price and average rate of exchange.	Average monthly New York price of fine bar silver.
1889.	<i>Pence.</i>	<i>Pence.</i>	<i>Pence.</i>				
January	42 $\frac{11}{8}$	42 $\frac{3}{8}$	42.544	\$0.93261	\$4.8810	\$0.93616	\$0.93644
February	42 $\frac{1}{2}$	42 $\frac{1}{8}$	42.594	0.93371	4.8872	0.93752	0.93750
March	42 $\frac{5}{8}$	42 $\frac{1}{4}$	42.521	0.93211	4.8894	0.93652	0.93769
April	42 $\frac{5}{8}$	42 $\frac{1}{8}$	42.185	0.92474	4.8895	0.92918	0.92865
May	42 $\frac{1}{2}$	41 $\frac{1}{8}$	42.162	0.92424	4.8900	0.92893	0.92865
June	42 $\frac{5}{8}$	42	42.034	0.92143	4.8879	0.92547	0.92595
July	42 $\frac{5}{8}$	42	42.159	0.92417	4.8776	0.92638	0.92558
August	42 $\frac{9}{8}$	42 $\frac{1}{4}$	42.349	0.92834	4.8731	0.92959	0.92843
September	42 $\frac{11}{8}$	42 $\frac{3}{8}$	42.522	0.93213	4.8798	0.93477	0.92589
October	43 $\frac{1}{2}$	42 $\frac{5}{8}$	42.944	0.94382	4.8612	0.94036	0.94120
November	44 $\frac{3}{8}$	43 $\frac{5}{8}$	43.923	0.96284	4.8500	0.95956	0.96100
December	44 $\frac{3}{8}$	43 $\frac{1}{2}$	43.967	0.96381	4.8419	0.95894	0.95880
Average .....	.....	.....	42 $\frac{11}{8}$	0.93576—	4.8757+	0.93753+	0.93631+

As stated, the price of silver in London at the close of the fiscal year was 47 $\frac{1}{2}$ pence, equivalent at the par of exchange to \$1.04673+ per fine ounce.

Since the close of the fiscal year the fluctuations in the price of silver have assumed a very wide range. To July 14, the date of the passage of the new silver law, the price had advanced in London to 49 $\frac{1}{2}$ pence, and in New York to \$1.08, per fine ounce. To the 13th of August, the date the new silver law went into effect, the price advanced to 51 $\frac{1}{2}$ pence in London and in New York to \$1.13 per fine ounce.

The highest price in London was reached on the 3d and 4th of September, viz, 54 $\frac{3}{8}$ pence, equivalent at the par of exchange to \$1.1975 per fine ounce. The highest point reached in New York was on August 19, ranging from \$1.19 $\frac{1}{2}$ to \$1.21 per fine ounce. The price in New York did not vary materially from the 19th of August to the 3d of September, when a decline commenced, extending, with some fluctuations to the present time, the price at this date, November 1, being in New York \$1.06 $\frac{1}{2}$, and in London 48 $\frac{1}{2}$ pence, equivalent at the par of exchange to \$1.06 $\frac{3}{8}$.

The price of silver in London, at the date of the passage of the act of February 28, 1878, remonetizing the silver dollar and requiring the monthly purchase and coinage of not less than \$2,000,000 nor more than \$4,000,000 worth of silver, was 55 pence, equivalent to \$1.205 per fine ounce, at which price the commercial value of the silver in the standard dollar was 93 $\frac{1}{2}$ cents.

From that time until May 19, 1888, when the lowest price was reached, the decline was, with some intermissions, uniform, the lowest price reached being 41 $\frac{1}{2}$ pence, equivalent to \$0.9124 per fine ounce, at which rate the value of the silver in the silver dollar was \$0.7057.

Values of foreign coins.

Country.	Standard.	Monetary unit.	Value in terms of U. S. gold dollar.	Coins.
Argentine Republic	Gold and silver.	Peso.....	\$0.965	Gold: Argentine (\$4.824) and $\frac{1}{2}$ Argentine. Silver: peso and divisions.
Austria-Hungary	Silver.....	Florin.....	.381	Gold: 4 florins (\$1.929), 8 florins (\$3.858), ducats (\$2.287), and 4 ducats (\$9.158). Silver: 1 and 2 florins.
Belgium	Gold and silver.	Franc.....	.193	Gold: 10 and 20 francs. Silver: 5 francs.
Bolivia	Silver.....	Boliviano.....	.771	Silver: Boliviano and divisions.
Brazil	Gold.....	Milreis.....	.546	Gold: 5, 10, and 20 milreis. Silver: $\frac{1}{2}$ 1, and 2 milreis.
British Possessions N. A. (except Newfoundland).	Gold.....	Dollar.....	1.00	
Central American States—				
Costa Rica.....	Silver.....	Peso.....	.771	Silver: peso and divisions.
Guatemala.....				
Honduras.....				
Nicaragua.....				
Salvador.....				
Chili	Gold and silver.	Peso.....	.912	Gold: escudo (\$1.824), doubloon (4.561), and condor (\$9.123). Silver: peso and divisions.
China	Silver.....	Tael {	1.139	
			1.27	
Colombia	Silver.....	Peso.....	.771	Gold: condor (\$9.647) and double-condor. Silver: peso.
Cuba	Gold and silver.	Peso.....	.926	Gold: doubloon (\$5.017). Silver: peso.
Denmark	Gold.....	Crown.....	.268	Gold: 10 and 20 crowns.
Ecuador	Silver.....	Sucre.....	.772	Gold: condor (\$9.647) and double condor. Silver: sucre and divisions.
Egypt	Gold.....	Pound (100 piasters).	4.943	Gold: pound (100 piasters), 50 piastres, 10 piasters, and 5 piasters. Silver: 1, 2, 5, 10, and 20 piasters.
Finland	Gold.....	Mark.....	.193	Gold: 20 marks (\$3.859), 10 marks (\$1.93).
France	Gold and silver.	Franc.....	.193	Gold: 5, 10, 20, 50, and 100 francs. Silver: 5 francs.
German Empire	Gold.....	Mark.....	.238	Gold: 5, 10, and 20 marks.
Great Britain	Gold.....	Pound sterling.	4.866 $\frac{1}{2}$	Gold: Sovereign (pound sterling) and $\frac{1}{2}$ sovereign.
Greece	Gold and silver.	Drachma.....	.193	Gold: 5, 10, 20, 50, and 100 drachmas. Silver: 5 drachmas.
Hayti	Gold and silver.	Gourde.....	.965	Silver: gourde.
India	Silver.....	Rupee.....	.366	Gold: mohur (\$7.105). Silver: rupee and divisions.
Italy	Gold and silver.	Lira.....	.193	Gold: 5, 10, 20, 50, and 100 liras. Silver: 5 liras.
Japan	Gold and silver.	Yens {	.997	Gold: 1, 2, 5, 10, and 20 yen. Silver: yen.
		gold.....	.831	
		silver.....		
Liberia	Gold.....	Dollar.....	1.00	
Mexico	Silver.....	Dollar.....	.837	Gold: dollar (\$0.983), 2 $\frac{1}{2}$, 5, 10, and 20 dollars. Silver: dollar (or peso) and divisions.
Netherlands	Gold and silver.	Florin.....	.402	Gold: 10 florins. Silver: $\frac{1}{2}$, 1, and 2 $\frac{1}{2}$ florins.
Newfoundland	Gold.....	Dollar.....	1.014	Gold: 2 dollars (\$2.027+).
Norway	Gold.....	Crown.....	.268	Gold: 10 and 20 crowns.
Peru	Silver.....	Sol.....	.771	Silver: sol and divisions.

Values of foreign coins—Continued.

Country.	Standard.	Monetary unit.	Value in terms of U.S. gold dollar.	Coins.
Portugal.....	Gold.....	Milreis	\$1. 08	Gold : 1, 2, 5, and 10 milreis.
Russia.....	Silver.....	Ruble	. 617	Gold : imperial (\$7.718), and $\frac{1}{2}$ imperial (\$3.860). Silver : $\frac{1}{2}$, $\frac{1}{4}$, and 1 ruble.
Spain	Gold and silver.	Peseta	. 193	Gold : 25 pesetas. Silver : 5 pesetas.
Sweden.....	Gold.....	Crown	. 268	Gold : 10 and 20 crowns.
Switzerland.....	Gold and silver.	Franc	. 193	Gold : 5, 10, 20, 50, and 100 francs. Silver : 5 francs.
Tripoli	Silver.....	Mahbub of 20 piasters	. 695	
Turkey	Gold.....	Piaster	. 044	Gold : 25, 50, 100, 250, and 500 piasters.
Venezuela	Silver.....	Bolivar	154	Gold : 5, 10, 20, 50, and 100 bolivars. Silver : 5 bolivars.

COMMITTEE ON COINAGE, WEIGHTS AND MEASURES,

Friday, January 30, 1891.

The CHAIRMAN. Mr. Leech is present, and is anxious to get through to-day, so we will proceed.

SUPPLEMENTAL STATEMENT OF HON. EDWARD O. LEECH, DIRECTOR OF THE MINT.

Mr. LEECH stated as follows:

PRICE OF SILVER WHEN COINAGE LIMITED BY LATIN UNION.

Mr. Chairman and gentlemen of the committee, if I may be allowed before Mr. Vaux proceeds with his questions, I would like to refer to a colloquy which took place between Mr. Bland and myself the last time I was before the committee in regard to the limitation of the coinage of 5-franc silver pieces by France and the States of the Latin Union. I stated that according to my recollection the limitation occurred in 1875. Mr. Bland very properly corrected me by stating it was 1874, which was right; Mr. Bland then asked me whether the price of silver had depreciated prior to the limitation of silver coinage by the states of the Latin Union, and I answered that I thought it had slightly. He said it had not.

I have taken the trouble to look up the facts, and I find that the first limitation was on January 30, 1874, when the coinage of 5-franc silver pieces for that year was limited to 120,000,000 francs for the Union. The next limitation took place February 5, 1875, when the coinage was limited to 150,000,000 for that year. According to Pixley and Abell's table the lowest price of silver in London during the month of January, 1874, was 58*d.*, and the highest 59 $\frac{1}{2}$ *d.* According to the London Economist of January 31, 1874, the highest price for the week ending that date was 59 $\frac{1}{4}$ *d.* The English equivalent in pence of the French ratio in coinage is 60.8*d.*, equivalent to \$1.33 per fine ounce. The equivalent of the London price of silver at that time was \$1.29 a fine ounce, showing that silver had depreciated considerably prior to the limitation by the States of the Latin Union of the coinage of the 5 franc silver pieces.

Representative WILLIAMS. What was the cause?

Mr. LEECH. The cause was the large sales of silver by Germany. In this connection I would like to present to the committee—I will not read it, but I will have it entered as part of the minutes—a letter from Mr. Washburn, our minister to France, in regard to the action of the States of the Latin Union in limiting the coinage of silver and as to the price of silver at that time. It will at least be a contribution to the literature of the silver question, as I think it has not been made public before. (See letter appended.)

And in this connection, with the consent of the committee, I would like to add to my testimony an extract from the monetary convention which exists between the states of the Latin Union with regard to the coining of 5-franc silver pieces and the redemption of them. (See same appended.) I stated at the last hearing that they were redeemable in gold by the nations which issued them in case the convention was terminated, which could be done by any of the contracting powers at the end of any year. This is an extract of that portion of the agreement.

Representative BARTINE. Will you tell me where I can get it?

Mr. LEECH. You will find the whole of it in my report for 1886.

Representative BARTINE. Has notice of termination been given?

Mr. LEECH. No; it has not been given.

HOW PARITY MAINTAINED.

Representative VAUX. Now I will go on and get through with these questions, and I hope it will not take long. I call your attention to this question; in what way has the exchange value of the silver dollar been kept equal to that of the gold dollar, notwithstanding the difference in their bullion value?

Mr. LEECH. In the United States, in this country?

Representative VAUX. Anywhere, wherever your information enables you to state. In what way has the exchange value of the silver dollar been kept equal to that of the gold dollar, notwithstanding the difference in their bullion value?

Mr. LEECH. Mainly by the limitation of the coinage of the silver dollar, and the fact that the Government has not discriminated in the payment between gold and silver, that these silver dollars are interchangeable with gold and with notes that are payable in gold; and, also, largely from the fact that these silver dollars have supplied a demand for small currency, and the vacuum created by the retirement of the national bank notes since 1878 has also furnished a field for the circulation of the silver dollar.

Representative TAYLOR. Is it not largely a fact that the Government has bought all the silver dollars and paid gold?

Mr. LEECH. I do not understand the Government has done that.

Representative TAYLOR. What have you got in your vaults?

Mr. LEECH. Those silver dollars are not owned by the Government.

Representative TAYLOR. You have over 200,000,000 silver dollars—

Mr. LEECH. No; the silver certificates are redeemable only in silver dollars. Now, right there, permit me to say I have prepared a statement showing the amount and denomination of the outstanding silver certificates. They amount to \$308,000,000, of which 278,000,000 are in denominations of \$10 and less, say 90 per cent. of all the silver certificates, which represent the bulk of the silver dollars, are in denominations of less than \$10, showing that the silver dollar supplies a demand for small money. I have prepared another statement showing the stock of silver

in the United States, and the location of it. This shows that there are 67,000,000 silver dollars in actual circulation, and 308,000,000 silver dollars in circulation in the shape of silver certificates, the dollars being held in the Treasury; while there are only \$58,000,000 of subsidiary coins in circulation. Now, as a rule an enterprising country requires from five to six dollars per capita in change money, and this country would require from three to four hundred million dollars in change money. These silver dollars have supplied that change money very largely as will be shown by this statement. (See statement appended.)

Mr. WALKER. What do you mean by change money; small money you mean money less than one dollar?

Representative BLAND. Less than \$10.

Mr. LEECH. Yes, sir.

Representative VAUX. That concludes your answer to this question?

Mr. LEECH. I think so.

Representative VAUX. Under free coinage of both metals would the silver dollar exchange at its equivalent value or at its nominal value as compared with gold?

Mr. LEECH. Just as long as the Government was able to keep it at par by not discriminating in payments between gold and silver, they would remain at par with gold, but the moment the Government did discriminate and refuse to pay gold dollars on demand for legal tender notes, I think they would cease to circulate at their face value concurrently with gold.

Representative BARTINE. I want to ask you a question, suppose you were to establish the double standard in the complete sense of that term, having free coinage, it will be notice to all the world that we intend to use both gold and silver and any person who deals with us must deal upon that basis.

Mr. LEECH. It would be notice that we intended to use both; that is a matter we could not control.

Representative BARTINE. But it would be notice whether we could control it or not. It would be a declaration of our intentions.

Mr. LEECH. Yes.

Representative BARTINE. Then with that notice staring them in the face, if a man comes to the Treasury of the United States and asks for \$100,000, and the Government gives him \$100,000 in silver, in what way would that be a discrimination if he gets exactly the money he has been notified he would get?

Mr. LEECH. I believe that the people of the United States and the world believe that the Government will always give full value for their paper dollars——.

Representative BARTINE. But I am now addressing myself to the question of bimetallism being fully established, having the double standard. Your argument strikes me as eminently sound if we have determined to maintain a gold standard.

Mr. LEECH. Mr. Vaux's question was whether they would circulate together at the same value?

Representative BARTINE. Your answer is, they would circulate if the Government does not discriminate. Now, I ask, if we declared to the world that we are going to use both metals, is that a discrimination?

Mr. LEECH. I say they would not circulate together in my judgment in this country.

Representative BARTINE. But you do not think that would be a discrimination in that case, in the hypothetical case I have stated?

Mr. LEECH. I will state if the Government found it could not pay

gold on demand I believe gold would go to a premium and would not circulate equally.

Representative BARTINE. If gold and silver are both legal tender no man has a right to demand one against another; if a man has no right to make a demand for a particular kind of coin he is bound to take anything that is a legal tender.

Mr. LEECH. Yes, sir.

Representative BARTINE. That is my point that I am getting at—is there any discrimination in this case?

Mr. LEECH. I think there would be a discrimination if the Government should refuse to redeem a legal tender note on demand in gold. I think it would be an evidence of weakness. I think it would injure its credit.

Representative BARTINE. In face of the fact the Government has declared it would redeem in either.

Representative VAUX. To return to my question, which was, whether under free coinage of both metals the silver dollar would exchange at its bullion value or at its nominal value as compared with gold.

Representative BARTINE. It seems to me that Mr. Leech's answer would involve this idea, even if we have a double standard. Notwithstanding that fact, we must consider this question exactly as if the Government maintained a gold standard. Of course that is a matter for argument.

Representative WILLIAMS. At what ratio do you think gold and silver coins should be for them to keep at par, in your judgment; it has not been the same since 1878 when we began coinage of silver dollars.

Mr. LEECH. Well, that is a very difficult question to answer. As I have said before, I think, until we can get the concurrent action of nations commercially powerful enough to maintain gold and silver coin at some fixed ratio we probably can not keep them at par at any ratio.

Representative WILLIAMS. We have been maintaining it so far.

Mr. LEECH. I have been endeavoring to explain how, in my judgment, the silver dollars had been maintained in circulation with gold.

Representative WILLIAMS. You are not prepared to say whether free coinage would furnish it altogether?

Mr. LEECH. In my judgment it would not.

PRESENT EXTENT OF FREE SILVER COINAGE.

Representative BLAND. Have you any means of giving the committee the States or nations which now coin silver free?

Mr. LEECH. Yes, sir.

Representative BLAND. I have had some calls for that.

Mr. LEECH. I have a little statement here—when you mean free, do you mean without coinage charge?

Representative BLAND. What is technically called free coinage.

Mr. LEECH. I have prepared a little table which I thought might be interesting, showing the coinage charge in different countries on gold and silver. (See table appended.)

Representative WILLIAMS. Does it show the limitations on coinage?

Mr. LEECH. No. The countries having unlimited (or free) coinage of silver at the present time are India, Japan, Mexico, and a few South American countries.

Representative BLAND. Have you a table of all of them?

Mr. LEECH. I will prepare and send you one. Japan, Mexico, India, and some few South American countries are the only ones I think, although Mexican coinage does not amount to anything.

Representative BLAND. I will be glad if you will send the list to the committee.

Mr. LEECH. Yes, sir; but these names I have mentioned substantially cover all of them.

Representative BLAND. And also I would like for you to add the information as to how much has been coined by the States of the Latin Union since 1874; that is, what proportion they have purchased and coined under their agreement. I do not suppose you can give us that now without referring to statistics.

Mr. LEECH. No. They coined 120,000,000 francs in 1874 and 150,000,000 in 1875.

Representative BLAND. I want the portion that was purchased and coined by the States of the Latin Union since 1874.

Mr. LEECH. That would be difficult if not impossible to give. The Latin mints do not present the statistics; even the English mint will not tell you how much silver they have bought.

Representative BLAND. You are not then able to give the committee the information as to purchases made by France and the States of the Latin Union, that is bullion from a new supply.

Mr. LEECH. I will endeavor to ascertain it and if I can I will send it to you.

Representative COMSTOCK. Do I understand that the silver coins of the States of the Latin Union are redeemable in gold?

Mr. LEECH. I say each State is required to redeem from the other States all of its 5-franc silver pieces, in gold.

EFFECT OF FREE COINAGE UPON MOVEMENTS OF GOLD AND SILVER.

Representative VAUX. In addenda to that question which you have answered, I will read the question and the last sentence of it. Under free coinage of both metals would the silver dollar exchange at its bullion value or at its nominal value as compared with gold; might it exchange at some value between the bullion value and the nominal value?

Mr. LEECH. Yes; it might.

Representative VAUX. What in your opinion would be the amount of silver and gold respectively which would come in the mint under the operation of free coinage of both?

Mr. LEECH. I think that all the free silver of the world would immediately begin to move to our mints.

Representative VAUX. And the same of gold?

Mr. LEECH. No; there would be no particular reason why gold should come here, except exchange would be so that it would be profitable to ship it here. I think our gold product would continue to go to our mints as now.

Mr. WALKER. Would it be at a premium?

Mr. LEECH. That was not involved in this question.

Mr. BARTINE. It could not come to the mint at a premium.

Mr. LEECH. There would be no premium at the mint. The premium would be in the bullion as in the coin; the mint adds no value to gold.

Representative VAUX. How much silver in your judgment is at present available for our mints under free coinage, bringing into account foreign coins and bullion and silver used in the arts. This covers all questions as to how much silver.

Mr. LEECH. Considering all the silver in the shape of ornaments and jewelry and plate, etc., it would be impossible to form any estimate. It is very large in South American countries and in Mexico. The entire

stock of silver bullion on the market would come here immediately. I believe that as long as we continued on a gold standard, a very large portion of the stock of foreign silver coin would come to our mints.

Representative VAUX. How much variation in the exchange value of the two kinds of dollars would suffice to withdraw one of them from circulation as money?

Mr. LEECH. I presume a difference of 1 or 2 per cent.

Representative VAUX. If gold is withdrawn from circulation as money in this country, what use would be made of it?

Mr. LEECH. It would be shipped to other countries, held as reserves, or hoarded.

Representative VAUX. The Government would keep some?

Mr. LEECH. It would if it could. The Government would probably get rid of it in the redemption of legal-tender notes.

Representative VAUX. Would it be shipped to other countries to a considerable extent; would not the effect be to increase the supply of gold in those countries and also its value?

Mr. LEECH. I do not know about increasing its value.

Representative VAUX. If you increase the supply in a given place you affect its value.

Mr. LEECH. Of course; it would increase the stock wherever it went.

Representative VAUX. Do you know what motive a man would have to hoard gold in this country.

Mr. LEECH. I think it would be from a motive of safety. |||

Representative WILLIAMS. It would be very limited.

Mr. LEECH. Yes, sir; I think so.

Representative BLAND. Would it be saved and held here long?

Mr. LEECH. It is impossible for me to answer that question; it would depend upon circumstances.

Representative BLAND. Is a man likely to hold money unless something is to be made out of it?

Mr. WILLIAMS. I would like for you to explain how silver would come here.

Mr. LEECH. I will tell you how. I think if we pass a bill for the free coinage of silver, foreign nations who have stocks of silver and who are anxious to get on a gold basis, would immediately begin to ship us their silver, but before that got here, in my judgment, the alarm would be so great in this country that all the gold in the Treasury would be withdrawn and held by banks and private individuals, so that by the time any considerable amount of silver got here there would not be any gold to pay for it.

Representative BARTINE. How do you lose anything in that case?

Mr. LEECH. We lose our gold, that is all.

Representative WILLIAMS. That would not go abroad?

Mr. LEECH. If it were hoarded here it would not.

Representative WILLIAMS. If they did not get gold, what would they get for silver?

Mr. LEECH. Legal-tender notes and silver dollars or possibly American securities payable in gold.

Representative VAUX. They would not make a great deal of money, then.

Mr. LEECH. They would not ship if they could not get gold or gold exchange.

Mr. WALKER. I would like to ask whether the gold would not be purchased here before the silver left Europe—that is to say, it would be upon telegraphic order to purchase gold before silver was sent to replace the gold?

Mr. LEECH. I stated I thought gold would be withdrawn from the Treasury by the deposit of legal-tender notes and gold certificates, and that after that no great quantity of silver would come here. Whether gold would be shipped abroad would depend on the price of sterling exchange.

Mr. WALKER. I did not ask a question in regard to shipping abroad. Has not the mercantile practice always been to anticipate the shipment of gold either from this country abroad or from abroad here by telegraphic orders, so that the transaction is completed before the gold is moved from either country?

Mr. LEECH. Undoubtedly it is done by telegraph.

Representative WALKER. Is it not a commercial custom that the transaction is practically completed before the gold coin is moved from one country to another, before it is started to be removed; and is not that commercial exchange?

Mr. LEECH. Yes, sir.

Representative VAUX. Then a telegraph message is a circulating medium?

Representative WALKER. Why certainly that telegraphic message is a circulating medium.

Representative VAUX. Just as a check?

Representative WALKER. Yes, sir. Have you an idea of the proportion of the monetary transactions between the countries that is done by telegraphic messages rather than by letter or anything else?

Mr. LEECH. I have no positive knowledge on that subject, Mr. Walker, but a very considerable proportion undoubtedly.

Representative BLAND. In buying silver in this country and others do you suppose our people sell foreign silver at a discount or loss. How would you account for any loss on the part of our people, the want of exchange of gold for silver? When silver came here what would be done with it; you would have to buy commodities, have to invest it in property and business and matters of that sort to meet the difference?

Mr. LEECH. There you go into an economical question which I do not claim to be an authority upon.

Representative BLAND. That is the question before the committee. How could they lose anything if the silver came here in the place of gold and gold was at a premium; that means property in silver would be worth more than property in gold?

Mr. LEECH. Property would probably be raised in price if there was an inflation in currency, but how permanent the rise would be is the question.

Representative BLAND. Do you think the raise would be permanent?

Mr. LEECH. I do not think it would; I do not think the raise would be permanent.

Representative BLAND. How do you figure that you can count any loss if prices are the same in silver as in gold; how does it affect anybody?

Mr. LEECH. I do not claim to be any authority on economic subjects.

Representative BLAND. If you can not get at that how can you get at any loss? I take it for granted if we exchange our gold for foreign silver and that silver comes here on an equality with gold and there is any rise in prices, there is nothing lost to anybody. But, on the contrary, if the silver standard is lower than gold and gold is at a premium it certainly must mean that all property rises so as to meet the difference, and the foreigner who brings silver here and buys anything in this country has got to pay the difference between the value of silver and the value of

gold, and the property owners and the wage-workers and everybody else who makes the exchange gets the benefit of the difference. There is nothing lost to anybody.

Representative TRACEY. What is the use of doing it?

Representative BLAND. Simply because we claim that prices are too low for the business of this country, and especially for the laboring masses and producers to live.

EFFECT ON CIRCULATION OF WITHDRAWAL OF GOLD.

Representative VAUX. That depends upon the purchasing power of the metal, and that is the point I am trying to get at, and I will ask my question again; what would be the effect upon the aggregate circulation of the withdrawal of gold from circulation?

Mr. LEECH. I believe it would very largely contract it.

Representative BARTINE. Upon that point I will ask you by what process of reasoning you would go to work and figure out you can contract the volume of the currency of this country and at the same time depreciate the dollar?

Mr. LEECH. I say the immediate effect of the passage of the free coinage bill, in my judgment, would be to contract the currency; that the owners of the legal-tender paper and gold certificates would withdraw the gold and hoard it very largely, keep it as a reserve at least.

Representative WILLIAMS. That increases the purchasing power of that which is left, the silver.

Mr. LEECH. The silver has not come yet.

Representative BARTINE. Suppose we have 1,400 millions in money at present, and as the result of free coinage all the gold, 600 millions goes out of circulation; that leaves an aggregate volume of 800 millions. Now is it not perfectly manifest that each dollar remaining would have greater purchasing power?

Mr. LEECH. Possibly it would. Let me finish my answer to Mr. Vaux.

Representative VAUX. What would be the effect upon the aggregate circulation of withdrawing gold from use as money?

Mr. LEECH. I say I believe the immediate effect would be to largely contract the circulation in this country in the manner I have stated. The idea that such contraction would be counteracted by the increase in silver is fallacious for the reason that silver would not come here simply because our mints were open to free coinage any more than gold comes here for that reason. Silver would only come as long as it was profitable as a business transaction to ship it here.

Representative BARTINE. I agree with you perfectly on that.

Mr. LEECH. Just as long as they find they can ship silver here at a profit and get paid for it in dollars interchangeable for gold dollars, just so long will they continue to ship it; but the moment they find they get paid in a dollar whose purchasing power is only equal to the bullion value of the silver in it they will stop shipping it; so I do not believe in the end—

Representative BARTINE. So you do not believe there will be any great flooding of this country with silver?

Mr. LEECH. All we have would be silver money whether there be a flood or not.

Representative BARTINE. How do you make it out that if we have no silver coming here all the gold will go out of circulation?

Mr. LEECH. From the scare which the passage of this bill will produce.

Representative WILLIAMS. How long would it remain out on a scare?

Mr. LEECH. That would depend upon how much silver came here, and other causes.

EFFECT OF LEGISLATION ON VALUE OF SILVER.

Representative VAUX. I do not suppose by an act of Congress you can make 412 or 420 grains any more than they are, and the value of that is dependent upon two circumstances, the market value of the bullion and the commercial value of the coined dollar?

Mr. LEECH. I think the passage of a free-coinage bill would increase the value of silver materially all over the world.

Representative VAUX. Would money be more plentiful in this country under free coinage of silver than now?

Mr. LEECH. I have just answered that.

Representative VAUX. Would the free coinage of silver here have any tendency to advance the price of silver in the markets of the world?

Mr. LEECH. I think it would; a decided tendency.

Representative VAUX. What would be the effect upon prices of silver in the markets of the world to sell the present stock in the United States Treasury which is now held for the redemption of the outstanding silver certificates?

Mr. LEECH. I think it would largely depreciate the price.

Representative VAUX. Would not that stock of accumulation be liberated by a free-coinage law; if so, it would take its place as part of the world's silver supply instead of being hoarded up in the Treasury vaults?

Mr. LEECH. I do not think it would.

Representative VAUX. After the limit of the minting of silver has been reached what governs the silver market, in your opinion; that is, the prices of silver quoted with gold?

Mr. LEECH. Well, that is difficult to say. That would depend upon the action of other nations and what demand there was for silver. I do not believe it would remain at our coining rate under present conditions.

Representative VAUX. What, in your judgment, is the effect upon the silver markets of the Government purchasing $4\frac{1}{2}$ million ounces per month?

Mr. LEECH. I believe the effect has been to increase the value of silver and that if the present visible stock of silver in the United States was out of the way and not in such a convenient form to carry we would be able to maintain the price of silver at from \$1.15 to \$1.20 by the monthly absorption of $4\frac{1}{2}$ million ounces.

Representative VAUX. Would the effect cease under a free-coinage law?

Mr. LEECH. I do not know that it would go below that.

Representative BARTINE. Would not the effect be just the same?

Mr. LEECH. Undoubtedly.

Representative BARTINE. I want to ask this question: You stated a silver dollar was maintained at a parity by the limited coinage; does not it also increase the surplus stock of silver on the market, and thus increase the apparent discount?

Mr. LEECH. The limitation of our purchases of course leaves more of a stock on the markets somewhere.

Representative BARTINE. On any bullion market?

Mr. LEECH. You mean we do not buy all there is?

Representative BARTINE. The limitation of the coinage makes the surplus stock of silver?

Mr. LEECH. Undoubtedly.

Representative BARTINE. It works both ways; it leaves a larger amount of silver on the market?

Mr. LEECH. Certainly.

Representative VAUX. Is there any statute fixing the price at which the Treasury buys silver at the mint?

Mr. LEECH. No, sir; no exact price. The law says we shall buy at the market price. I get a cablegram every day from London, and telegrams from New York and San Francisco giving the price in those three cities, and we purchase upon those prices. As a rule we pay within the highest New York price. We used formerly to pay within the highest London price, but since the passage of the new law we have thought that New York was probably a larger market for silver than London, and at times we have paid even in excess of the New York price.

DIFFERENCE BETWEEN COMMERCIAL AND COINAGE VALUE.

Representative VAUX. What is the difference between that price and the commercial value of the coin—the intrinsic bullion value of the coin?

Mr. LEECH. There is not any difference.

Representative VAUX. Then the bullion that is necessary to make a dollar if minted is exactly the price which that minted dollar is worth in the commercial world. Then there is no condition of things by which this coinage would depreciate in value as long as that method was adopted. If you pay the amount that the New York quotations fix and mint that, and the minted dollar is equivalent to the money that is paid for the bullion, each dollar minted has the same purchasing power as a gold dollar of the mint. Then there could be no commercial strain, or distress or stringency, or anything else to change the value of the purchasing power of the minted silver dollar.

Mr. LEECH. It could not depreciate below its bullion value. I do not catch the point of your question.

Representative CARTER. Permit me to ask you a question here. You have referred to the intrinsic value of the dollar when coined, and have argued whether that had the intrinsic value when struck at the mint exactly equivalent to the price paid for the bullion entering into the composition of the coined dollar.

Representative VAUX. Yes, sir.

Mr. LEECH. I say it has that value.

Representative CARTER. I will ask the director in that connection, if you wish to be understood as saying that the metal entering into the dollar which you coin at the mint will cost you \$1.29 or——

Mr. LEECH. The silver entering into the silver dollar costs about 80 cents.

Representative CARTER. I will ask you to state whether or not you are correct, when in response to a question from the gentlemen from Pennsylvania you answered that the silver in a dollar was worth as much as an ounce of silver costs.

Mr. LEECH. I do not understand the subject yet. I did not understand Mr. Vaux's question in that way.

Representative TRACEY. That is assuming it is under free coinage.

Representative CARTER. You put how many grains into a silver dollar?

Mr. LEECH. Three hundred and seventy-one and a quarter.

Representative CARTER. What do you pay for the $371\frac{1}{4}$ grains?

Mr. LEECH. I should say it costs about 80 cents at present.

Representative VAUX. Then what is the value of the minted dollar in commerce?

Mr. LEECH. At home it is worth \$1, and in countries where they have a silver standard, like Mexico and India, it is worth the bullion value. We are buying Mexican dollars and melting them; the stamp of the mint adds nothing to their value.

Representative VAUX. That is the dollar you put out as 100 cents?

Mr. LEECH. We do in our domestic trade.

Representative VAUX. Then you put out \$1 at 100 cents and it costs you 80?

Mr. LEECH. Yes, sir; and turn the 20 cents profit into the Treasury.

Representative VAUX. Then is there any process which that mint performs upon that silver dollar whatever, on that ounce of silver, which compels the people to take it at its face value as coin?

Mr. LEECH. It is a full legal-tender coin of the United States by law.

Representative VAUX. Then is there any condition of things in the commercial world that would reduce the value of that minted dollar or increase it for commercial purposes; would it always be 100 cents, no matter whether 85 or 75 cents was the value of the bullion coin?

Mr. LEECH. I say, if we get on a silver basis, if we have more silver dollars than we can circulate, and can not redeem our obligation in gold upon demand, the silver dollar will be valued only as so much bullion in the commercial world.

IMPORTS OF SILVER.

I present a table, Mr. Chairman, which may be of interest to the members of the committee, showing the net import of silver into British India and the amount of council bills sold for the last 16 years and the average for the period. (See table appended.)

Representative WILLIAMS. Will you state how much foreign silver bullion has been imported into the United States since the passage of the present law?

Mr. LEECH. I presented a table in my first day's testimony showing that. (Referring to first day's testimony.) It shows the import of foreign silver bullion from May 1 until December 1, 1890, to have been over \$6,578,000, all of which was in the form of bars. In addition, we imported \$10,200,000 in foreign silver coin and \$5,730,000 in foreign silver ore; that is to say, we imported since 1st day of May \$22,000,000 worth of silver, all foreign material, except \$330,000 of our own coin. During the same period we exported \$15,000,000 worth of silver, of which about \$7,000,000 was foreign silver coin, leaving about \$8,000,000 of our own silver which we have exported, reversing the transactions of the last 15 years.

Representative VAUX. Did you coin that; did it go through the mint?

Mr. LEECH. A portion was purchased by the Government.

Representative BARTINE. Allow me to ask if this import in ores was not for smelting purposes?

Mr. LEECH. It was silver lead ores, fluxing ores, and of course had to be smelted.

Representative BARTINE. It came here in that way?

Mr. LEECH. Undoubtedly the quantity has not changed materially.

Representative BLAND. Are any countries melting down our silver dollars?

Mr. LEECH. I think not, unless they are very foolish.

Representative BLAND. You spoke of the melting of Mexican dollars.

Mr. LEECH. Our dollar is interchangeable with a gold dollar, but the Mexican dollar is not.

Representative BLAND. Is there any country where our silver dollar is melted down and where it is not worth a gold dollar exported?

Mr. LEECH. Certainly not; they do not go abroad at all.

Representative VAUX. Now, the amount of silver in that little table you gave just now indicates the amount of imported silver?

Mr. LEECH. Yes, sir; from the 1st of May last to December.

Representative VAUX. I understand as a general rule that has gone through the mint and melted into our coin.

Mr. LEECH. Of course we are buying silver—

Representative VAUX. We will take it for granted it is of no use in any other way. Can you tell us the difference in gold between the amount of the value of that silver so imported, and what it would be worth minted by us?

Mr. LEECH. Its value would be increased about 25 per cent minted by us. That is, the nominal value.

Representative VAUX. I have no further questions to ask the Director.

Mr. WALKER. I will ask that the committee call the Director again at some other time as I have some questions I wish to ask him.

MEMORANDUM FURNISHED BY THE DIRECTOR OF THE MINT.

On January 30, 1874, a supplementary treaty was made by the nations composing the Latin Union binding themselves not to coin more than 120,000,000 of francs of silver coin that year.

On February 5, 1875, a further agreement was made to limit the coinage by these nations to 150,000,000 francs for that year. The average London price for silver for the month of January, 1874 was 58½ pence, equal to \$1.28786+ in U. S. money. The highest price touched that month was 59½ pence, the lowest was 58 pence.

On February 5, 1875, the date of the second limitation, the London price was 57½ pence, equal in U. S. money to \$1.26046+ per ounce fine.

The French parity is equivalent to 60.838 pence or \$1.3336+. The United States parity is equal to 58.983+ pence or \$1.2929.

On February 3, 1876 a further reduction was made in the amount of silver coins to be issued by the states of the Latin Union.

At the date of the third limitation the London price of silver was 54½ pence, equal to \$1.20292+.

In 1878, the coinage of full legal tender silver was suspended by the states of the Latin Union and has not been resumed.

SILVER.

[Extract from The London Economist, January 31, 1874.]

As might have been expected, the price of 59½*d.* per ounce standard that was ruling last week, caused supplies to come forward from various parts of the continent. The demand has since become less urgent, and rates have slightly given way, transactions having been entered into at 59½*d.* per ounce standard, and this may be taken as the quotation of the day. We have received during the past week about £140,000, chiefly Dore, from New York, and £10,490, from the West Indies. The Peninsular and Oriental steamer, leaving Southampton to-day, takes out about £588,000 to India and China.

Mexican dollars.—About £180,000 of this coin, by the West India and French steamers, have come to hand, but too late to be sent out by the Peninsular and Oriental steamer, leaving Southampton to-day.

Exchange.—On India for Banks' drafts at 60 days' sight is 1*s.* 11½*d.* per rupee.

Quotations for Bullion.—Gold—Bar gold, 77*s.* 9*d.* per ounce standard; ditto, fine, 77*s.* 9*d.* per ounce standard; ditto, refinable, 77*s.* 11*d.* per ounce standard; South American doubloons, 73*s.* 9*d.* to 74*s.* per ounce. Silver—Bar silver, fine, * 4*s.* 11½*d.* per ounce standard; ditto, containing 5 grains gold, 4*s.* 11½*d.* per ounce standard.

[Letter from Minister Washburne.]

LEGATION OF THE UNITED STATES,
Paris, March 27, 1876.

SIR: * * * In fact, at that time (1874), silver, which was then and still is a legal tender in France, Belgium, Italy, and Switzerland, could be coined to any amount in those countries; there was no law to prevent a French, a Belgian, an Italian, or a Swiss citizen from carrying to the mint all the silver which he could obtain; the coining of it could in no case be denied him. It would, therefore, have been an easy matter for Germany to have her florins and thalers, which could not be advantageously disposed of in England or in the United States, converted into francs and lires, circulating at a par with gold. France hoped to avert this danger—if there were any danger in the case—by promoting the formation of a monetary league, the object of which was to restrict the liberty of coining. This is what is known as the Latin Monetary Union. It was constituted in 1874 by a convention signed at Paris. These countries bound themselves not to produce during the year 1874 more than 120,000,000 of francs of silver coinage. Such an agreement was in reality nothing else than a step toward the adoption of gold as the sole standard, since this measure of precaution was against silver alone, while leaving the coinage of gold completely free.

The results of this measure, however, did not correspond to what its authors expected. The value of silver still declined, and at the end of 1874 it was 5 per cent below par. In 1875, a second conference of the Latin Union fixed the limit of the coinage of silver in the four States at 150,000,000 francs for that year; nevertheless the decline continued. It had reached 8 per cent when the conference held its third meeting, at the beginning of the present year. No other remedy was sought for than that which had been attempted so far, and the amount of silver coinage was still further reduced for 1876. France was allowed to make 5-franc pieces only to the amount of 54,000,000, instead of 75,000,000, which had been authorized in 1875; Italy, 36,000,000, instead of 50,000,000; Belgium, 10,000,000 francs instead of 15,000,000; Switzerland, 7,200,000 francs instead of 10,000,000; Greece, which had recently joined the union, was authorized to coin 15,600,000 francs, of which 8,400,000 francs were allowed in the place of old silver specie withdrawn.

* * * * *

I have the honor to be, very respectfully, your obedient servant,
E. B. WASHBURN.

Hon. HAMILTON FISH,
Secretary of State.

Extract from the monetary convention concluded at Paris, November 6, 1885, between France, Greece, Italy, Belgium, and Switzerland.]

The type of the silver 5-franc pieces stamped with the impression of the high contracting parties, is fixed as to fineness, weight, deviation, and diameter as follows:

FINENESS.		WEIGHT.		Diameter.
Legal fineness.	Deviation from legal fineness above and below.	Legal weight.	Deviation from legal weight above and below.	
<i>Thousandths.</i> 900	<i>Thousandths.</i> 2	<i>Grams.</i> 25	<i>Thousandths.</i> 3	<i>Millimeters.</i> 37

* \$1.29882+.

The contracting governments shall reciprocally receive into their public treasuries the said 5-franc silver pieces.

Each of the contracting states agrees to take back from the public treasuries of the other states the silver 5-franc pieces whose weight shall have been reduced by waste 1 per cent. below the legal allowance, provided they had not been fraudulently debased, and that the impressions thereon have not been effaced.

In France the silver 5-franc pieces shall be received in the coffers of the Bank of France on the accounts of the treasury, as is provided by the papers exchanged between the French Government and the Bank of France, dated respectively the 31st of October and the 2d of November, 1885, and which are made part of the present convention.

This engagement is made for the duration of the convention fixed by section 1 of article 13, and the bank shall not be bound beyond that term by the application of the clause relating to tacit renewal provided for in section 2 of the same article.

In case the provisions concerning the legal currency of the silver pieces of 5-francs stamped by the other states of the union are abrogated, either by Greece by Italy or by Switzerland, within the term of the engagement taken by the Bank of France, the power or powers which shall have revoked these provisions engage that their banks of issue shall receive the 5-franc silver pieces of the other states of the union on conditions identical with those on which they receive the 5-franc silver pieces stamped with the national effigy.

Two months before the term assigned for giving notice of the termination of the convention the French Government shall inform the states of the union whether the Bank of France intends to continue or to end the engagement above mentioned. In default of such engagement the Bank of France shall be subject to the provision relative to tacit renewal.

* * * * *

The coinage of 5-franc silver pieces is provisionally suspended, and shall not be resumed until unanimous agreement in that regard shall have been reached by all the contracting states.

However, should one of the states desire to resume the free coinage of 5-franc silver pieces it shall have power to do so, on condition of exchanging or refunding during the full term of the present convention, in gold, and at sight, to the other contracting countries, on their demand, the 5-franc silver pieces stamped with their effigies and circulating within their territory. Moreover, the other states shall be free no longer to receive the money of the states which shall resume the stamping of the said pieces.

The state desirous of resuming such coinage shall, preliminary thereto, call a conference of its associates, to regulate the conditions of such resumption. However, the power mentioned in the preceding paragraph shall not be subordinated to the establishment of an agreement, and the conditions of exchange and refundings agreed to in the same paragraph may be modified. In the absence of an understanding, while preserving the benefit of the stipulations which precede as regards the state which shall resume the free coinage of 5-franc silver pieces, Switzerland reserves to herself the power to leave the union before the expiration of the present convention. That power is, however, subject to these two conditions:

ART. 13. The present convention, which shall come into force on the 1st of January, 1886, shall remain in force until January 1, 1891.

If one year before this time it shall not have been declared terminated by the contracting powers, it shall be prolonged from year to year, with full legal force and effect by way of tacit renewal, and shall continue to be obligatory for 1 year, beginning with the 1st day of January following notice of its termination.

In case of notice of termination of the present convention each of the contracting States shall be bound to take back the 5-franc silver pieces which it shall have issued and which shall be found in circulation, or in the public coffers of the other States, and is charged with the payment to those states of a sum equal to the nominal value of the pieces called in in accordance to the conditions determined in a special arrangement which shall remain annexed to the present convention.

ART. 15. The present convention shall be ratified; the ratifications thereof shall be exchanged at Paris at the earliest moment possible, and not later than the 30th of December, 1885.

In witness whereof, the respective plenipotentiaries have signed the present convention, and have set their seals opposite their signatures.

Arrangements relative to the execution of article 14 of the convention of November 6, 1885.

The governments of France, Greece, Italy, and Switzerland desiring by a special arrangement to regulate the execution of the liquidation clause inserted in the monetary convention concluded between them on that day, the undersigned, being duly authorized to such effect, agree to the following provisions:

ARTICLE 1. During the year which shall follow the expiration of the convention the respective exchanges and the return to their own country of the 5-franc silver pieces which may exist in equivalent quantities shall be proceeded with in the various states.

ART. 2. The deliveries of coin or of values necessitated by the execution of the present arrangement will be: In France, at Paris, Lyons, or Marseilles; in Greece, at Athens; in Italy, at Rome, Geneva, Milan, or Tunis; in Switzerland, at Berne, Basle, Geneva, or Zurich.

ART. 3. Each of the contracting states shall retire from circulation the 5-franc silver pieces bearing the impression of the other states of the union; such withdrawal from circulation shall be completed by the 1st day of October of the year following the

expiration of the present convention. Beginning with said date all the silver coins above mentioned may be refused by the public treasuries elsewhere than in the country in which they originated. The state which continues to admit them shall have power to receive them only on its own account and not on account of the state which shall have issued them.

On the 15th of January of the following year, after the proper offsets shall have been made, the account of the pieces retired from circulation shall be definitively settled, by nationality, in each of the states, and they shall be reciprocally given due and legal notice of said account in the form usual between states. The balance, if any shall exist at said date, shall be held by the state holding it at the disposition of the state which shall have stamped the pieces. The latter shall withdraw its pieces, making compensation therefor at their nominal value.

ART. 4. The compensation stipulated for in the preceding article shall be made in gold or in 5-franc silver pieces, stamped with the impress of the creditor state, or in drafts payable in said state, either in the same coins or in bank bills which are legal tender there.

Such compensation may be divided into payments made every 3 months in such way that the account shall be paid within a maximum term of 5 years, beginning with the day of the expiration of the convention. These terms may be always anticipated in whole or in parts.

An additional sum of 1 per cent. per annum during the second, third, and fourth years, and of $1\frac{1}{2}$ per cent. during the fifth year on the amount of the sums to be refunded shall be paid. This interest shall be calculated from the 15th of January, the date of the resolutions fixing the balance to be withdrawn, and in case the terms have been anticipated, it shall undergo a proportional diminution.

ART. 5. All the cost of transportation, both of the balance of the silver coins to be returned to their own country, and the values or specie intended to discharge the price of them, shall be borne by each state as far as the frontier.

ART. 6. In partial derogation to the preceding provisions, and with the intention of taking into account the exceptional situation of Switzerland, it is agreed:

(1) That the 5-franc pieces issued by France and retired from circulation in Switzerland, shall be remitted by the federal government to the French Government, which shall effect their refundment to Switzerland on the conditions hereinafter determined.

The French Government shall refund successively at sight, in Swiss pieces of 5 francs in silver, or in gold pieces of 10 francs or more, stamped under the conditions provided for by the convention, and this after the beginning of the year which shall follow the expiration of the said convention, all the shipments of 5-franc silver pieces issued by France and retired from circulation in Switzerland; provided, however, that the amount of each of these shipments shall not be less than 1,000,000 nor greater than 10,000,000 of francs, except the final balance, which may be less than 1,000,000 francs.

However, the reimbursement to be made in gold, by the French Government to the federal government, for the repurchase of the French pieces of 5 francs in silver, shall not exceed the sum of 60,000,000 of francs.

(2) That the silver 5-franc pieces issued by Italy and retired from circulation in Switzerland, shall be remitted by the federal government to the Italian Government, which, from the beginning of the year following the expiration of the convention, shall refund them successively at sight, in Swiss 5-franc silver pieces and in gold pieces of 10 francs and over, stamped subject to the conditions of the said convention, or in drafts at sight on Berne, Basle, Geneva, or Zurich, payable subject to the conditions provided for in paragraph 1 of article 4 of the present arrangement. The amount of each of these shipments of Italian 5-franc silver pieces shall not be less than 500,000 francs, with the exception of the final balance, nor more than 2,000,000 francs.

The successive refundments to be made by the Italian Government to the federal government shall, as a general rule, consist, to the extent of two-thirds at least, of gold pieces and of Swiss 5-franc silver pieces, and the remainder of bills or drafts subject to the conditions determined on in the preceding paragraph. Should any exception be made to this rule the proportion shall be restored on the basis of the following reimbursement: *Provided, however,* That the Italian Government shall not be bound to refund in gold or 5-franc silver Swiss pieces, to the Swiss Government, a sum total greater than 20,000,000, and the total refundments to be affected in coin and in bills or drafts, by the Italian Government to the federal government, for the aggregate operation of the exchange or repurchase of the Italian 5-franc silver pieces circulating in Switzerland, shall not exceed the sum of 50,000,000 of francs.

ART. 7. The present arrangement shall be ratified and the ratifications thereof exchanged at the same time as those of the monetary convention concluded this day between the four states.

Statement showing the amount and denominations of outstanding silver certificates January 24, 1891.

Denominations.	Amount.	Denominations.	Amount.
1 dollar	\$29,355,717	100 dollars	4,168,720
2 dollars	21,596,338	500 dollars	210,500
5 dollars	108,910,036	1,000 dollars	130,000
10 dollars	118,513,306		
20 dollars	23,124,096		308,799,273
50 dollars	2,790,560		

Ninety per cent (about)	\$278,375,397
National bank notes retired since 1878	148,058,059
Amount outstanding	175,733,615

Stock of silver in the United States January 1, 1891.

Silver dollars	\$387,981,005
Subsidiary silver coin	77,638,844
Silver bullion in Treasury	20,299,954
Total	485,919,803

LOCATION.

Silver dollars in circulation	67,547,023
Silver dollars in the Treasury to redeem certificates	308,389,463
Silver dollars in the Treasury not covered by certificates	12,044,519
Subsidiary silver coin in circulation	58,485,838
Subsidiary silver coin in the Treasury	19,153,006
Silver bullion in the Treasury	20,299,954
	485,919,803

Table showing the net imports of silver into British India, and the amount of council bills sold, during the 16 English official years (ending March 31 of each year) 1874-'75 to 1889-'90.

Years.	Net imports of silver.	Amount of council bills sold.	Years.	Net imports of silver.	Amount of council bills sold.
1874-'75	£4,640,000	£10,841,614	1884-'85	£7,250,000	£13,758,909
1875-'76	1,550,000	12,389,613	1885-'86	11,610,000	10,523,505
1876-'77	7,200,000	12,695,799	1886-'87	7,160,000	11,157,213
1877-'78	14,680,000	10,134,455	1887-'88	9,310,000	15,045,883
1878-'79	3,970,000	13,948,565	1888-'89	9,247,000	14,223,433
1879-'80	7,870,000	15,261,810	1889-'90	9,000,000	15,800,000
1880-'81	3,890,000	15,239,677			
1881-'82	5,380,000	18,412,429	Total	116,647,000	222,153,231
1882-'83	7,480,000	15,120,521			
1883-'84	6,410,000	17,599,805	Annual average	7,290,437	13,884,577

Coinage charge in different countries.

Countries.	Gold.	Silver.	Countries.	Gold.	Silver.
Argentine Republic			Denmark { 10 crown piece	.0033	
Belgium	.00216	.005	Denmark { 20 crown piece	.0025	
France	.00216	.005	Norway { 10 crown piece	.0033	
Italy	.00216	.005	Norway { 20 crown piece	.0025	
Netherlands { ducat	.0043		Sweden { 10 crown piece	.0033	
Netherlands { D. ducat	.0037		Sweden { 20 crown piece	.0025	
Netherlands { 10 florin piece	.00337		Great Britain		
Peru			Germany	.00216	
Spain			Portugal	.0018	
Switzerland	.00216	.005	Japan	.007	.01
Austria { ducat	.0050		Chili		
Austria { 8 florin piece	.0030		Mexico	.0472	.0440
India	.01	.02	United States		
Turkey	.01				

QUESTIONS SUBMITTED BY MR. VAUX TO HON. E. O. LEECH,
THE DIRECTOR OF THE MINT, BY CONSENT OF THE COMMITTEE
ON COINAGE, WEIGHTS, AND MEASURES.

1. What is the present market value of silver?
2. What has been the average market value for each of the years since the silver coinage act of February 28, 1878, was passed?
3. What is understood by "market value of silver?"
4. What is the present bullion value of the silver dollar in terms of the gold dollar?
5. What has its average bullion value been in each year since the silver coinage act of February 28, 1878, was passed?
6. In what way has the exchange value of the silver dollar been kept equal with that of the gold dollar, notwithstanding the difference in their bullion value?
7. Under free coinage of both metals, would the silver dollar exchange at its bullion value, or at its nominal value, as compared with gold? Give the reasons for your opinion. Might it exchange at some value between the bullion value and the nominal value?
8. What, in your opinion, would be the movement of silver and of gold respectively to the mints under the operation of free coinage of both?
9. How much silver, in your judgment, is at present available for movement to our mints under free coinage, taking into account foreign coins and bullion and silver used in the arts?
10. How much variation in the exchange value of the two kinds of dollars would suffice to withdraw one of them from circulation as money?
11. If gold were withdrawn from circulation as money in this country, what use would be made of it?
12. What would be the effect upon the aggregate circulation, of withdrawing gold from use as money?
13. What would be the eventual limit to the presentation of silver to our mints under free coinage?
14. Would money be more plentiful in this country under the free coinage of silver than it is now? Give reasons for your opinion.
15. Would the free coinage of silver here have any tendency to advance the price of silver in the markets of the world? If so, would such effect be temporary or permanent?
16. What would be the effect upon the price of silver in the markets of the world, of selling the present stock in the United States Treasury, which is now held for the redemption of outstanding silver certificates.
17. Would not that stock or accumulation be liberated by a free-coinage law, so that it would take its place as a part of the world's silver supply, instead of being as now, a hoard in the Treasury vaults?
18. After the limit of our minting of silver should have been reached—*i. e.* after the circulation should be up to the measure of the need of business—what would be the course of the silver market, in your judgment, that is, the future price of silver quoted in gold?
19. What, in your judgment, is the effect upon the silver market of the Government's purchase of $4\frac{1}{2}$ million ounces per month?
20. Would this effect cease under free coinage?

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,

Wednesday, January 28, 1891.

The Committee on Coinage, Weights, and Measures met this day at 11 a. m., Hon. Charles P. Wickham in the chair.

The CHAIRMAN. The committee will come to order.

Mr. BLAND. I wish to make a suggestion to this committee that if it expects to make any report upon this bill we ought to set some time at which we shall take a vote. I suppose if one side is to be heard both ought to be heard. We might have a meeting to-morrow, the next day, and Monday, and the committee might decide on a meeting on Tuesday with the understanding that we have a vote on this bill on Wednesday, either to report it or not. Now I ask unanimous consent

of the committee that next Wednesday at our meeting that everything else be laid aside and we take a vote upon reporting this bill to the House.

Mr. WILLIAMS. The Senate bill is the one you refer to?

Mr. BLAND. Yes, sir.

Mr. WALKER. I move that the committee hear the committee appointed at the meeting held in Boston. The gentlemen are present here now and I also move that the Director of the Mint be invited to be present at our next meeting.

Mr. BLAND. I move an amendment to that motion that we proceed with this hearing and on Wednesday next that the hearing close and a vote be taken on reporting the bill to the House.

Mr. VAUX. When this committee adjourned at the last meeting the Director of the Mint was then giving testimony before the committee at its request. That testimony is not finished. We wasted nearly half an hour in discussing the subject and we can not decide until we know a little more about it, and I move, therefore, that Mr. Leech be called to the stand on questions propounded to him.

Mr. Christian Devries, president of the National Bank of Baltimore, and Mr. E. J. Penniman, cashier of the First National Bank of Baltimore, Md., presented the following resolution:

Resolutions passed unanimously at the annual meeting of the Baltimore Clearing House Association, held at National Union Bank of Maryland, Tuesday, January 20, 1891.

Whereas it is the unanimous opinion of this association that the bill now pending in the House of Representatives, and which has recently passed the United States Senate, providing for the unlimited and free coinage of silver, should it become a law, would prove most injurious to the agricultural, mercantile, manufacturing, and general business interests of the country, and would, without doubt, produce serious financial disturbances, impair confidence in our currency and ultimately, if not immediately, put a premium upon gold and bring the finances of the country to a silver basis: Therefore be it

Resolved, That we call upon banking, labor, and trade associations in this city and throughout the country to appeal to their respective members of Congress to defeat this most unwise and harmful legislation. We especially and earnestly urge the Representatives from Baltimore and Maryland to use their active influence and votes, unqualifiedly, against the bill.

Resolved, That the subject of these resolutions be referred to the executive committee of this association, with the authority and request that they visit Washington and appear before the Committee on Coinage, Weights, and Measures and express the objections of this association to the measure, and that they take such other action in the matter as they may deem important and advisable.

Wm. W. Taylor, president National Union Bank of Maryland; Enoch Pratt, president National Farmers and Planters' Bank, Baltimore; Jos. A. McKellip, cashier People's Bank of Baltimore; W. T. Dixon, president National Exchange Bank, of Baltimore; W. J. Dickey, president Manufacturers' National Bank; W. H. Norris, cashier Western National Bank of Baltimore; J. D. Wheeler, Drovers and Merchants' National Bank of Baltimore; John R. Hooper, president National Howard Bank; J. B. Ramsay, cashier National Mechanics' Bank; James V. Wagner, cashier National Marine Bank; Douglas H. Thomas, president Merchants' National Bank; Wm. H. Shryock, Vice President Third National Bank; Chas. T. Crane, cashier Farmers and Merchants' National Bank; James R. Edmunds, cashier National Bank of Commerce; E. J. Penniman, cashier First National Bank, of Baltimore; Charles J. Baker, president Franklin Bank; Christian Davies, president the National Bank of Baltimore; Theo. F. Wilcox, cashier Old Town Bank; Henry James, president Citizens' National Bank; Chas. C. Homer, president Second National Bank; A. Y. Dolfield, cashier German-American Bank; G. Avon Lingen, president Commercial and Farmers' National Bank; C. Cannon, cashier Traders' National Bank.

[Signed with seals.]

STATEMENT OF MR. H. L. HIGGINSON, OF BOSTON.

MR. WALKER. I wish to introduce to the committee Mr. H. L. Higginson, of Boston, of the firm of Lee, Higginson & Co., one of the largest firms of bankers in New England doing a foreign business. I think he is competent to give us a statement of facts which will indicate what the effect would be if a free-coinage bill were passed.

Mr. Higginson then addressed the committee. He said:

TIMIDITY OF CAPITAL.

Mr. Chairman and gentlemen of the committee: Mr. Walker has told you in part what my business is. It has some dealings with Europe, but has a great deal more with this country. For the investment of moneys and the promotion of enterprises of all kinds and sorts we are very often appealed to. People who want to push anything in any part of the country are very apt to come to us, and we have a great many applications to look after, a great deal of money and investments from all kinds of people, from the day worker up to the man who is worth a million dollars.

This delegation which comes from Boston covers all kind of men in the matter of politics. There are Republicans on this delegation, there are Democrats, and mugwumps, and men who vote which way they please, and perhaps that will cover a great many, so it is in no manner political. What we see is a great deal of timidity on the part of capitalists, and more especially on the part of small investors. It began last summer when legislation began and has been growing in extent, and has reached a pretty active point. We see that the merchants are frightened and worried because they do not know what will be the effect of this on their purchases; they do not like to borrow money because they are not quite sure they can pay it. They are frightened, and are timid in all sorts of business in the country. We have seen for a great many months that Europeans do not care to send any money here. The gentlemen no doubt are aware that the amount of European capital that comes here is something enormous, and it has been coming for a great many years. It has on the whole been the best place for investments they have ever had, and it has done a great deal to develop the interests of this country. It goes into the mines, it goes into the farms, it goes into the blast furnaces, it goes into the breweries, it goes into the flour mills, railroads, and everything else.

These gentlemen here are aware, no doubt, that a great deal of English capital has gone into Virginia, Tennessee, and Birmingham, Ala., and all that district, to develop all these interests, which have been, as we think in the North, of infinite advantage to us, and more particularly to the region to which they pertain and to the South. The Englishmen have bought cattle ranches and have put out money in all sorts of ways from Oregon to Maine, down to the Gulf. Now, men are very timid. They would rather keep what they have got. They can perfectly well live on 2 per cent. and they are frightened at the condition of affairs over here, and they do not want to invest any further money here. They became timid just as it were between 2 days, and they would not buy anything. Until this silver legislation began the English were very glad to get our gold securities; they wanted them. But now they say, "We will not have it; we do not want them; sell this, that, and the other." When I left home there were a great many orders from Europe to sell this thing and that thing. They do not care about the price; they

want the money. They say they do not like the looks of things, and will not buy and will not have anything to do with American securities. It is just the same thing with the people here. The day I came here various people came in with money to invest. They say, "Give us something near home, where we can see it and look after it. Give us gold securities." That only means one thing, of course. It means that the people here are very timid, and they are putting gold certificates into their boxes and keeping them. The savings banks and moneyed institutions have been piling up gold and gold certificates because they are afraid of loss, of runs. Why? Simply because there is this feeling of timidity through the community.

CAPITAL IN SAVINGS BANKS.

These savings banks of New England and New York, as the gentlemen will recollect, are simply institutions for the good of the depositors. Nobody makes any money out of them, as there is no stock. The best men in our community, and in New York and Pennsylvania, and elsewhere wherever they have them, give their time and a great deal of thought to making these banks good and strong, and there they sit every week and they consider what they can buy. What do they buy? City bonds and State bonds and the best mortgages; and a large part of the money goes to personal loans. To whom does that money belong? Nobody can put but a thousand dollars in them. It belongs to the men who work for their living every day; to the carpenters and the daily laborers and the household servants of all the population. They have piled it up. I can not state the exact figures, but it amounts to over a thousand millions in New England and New York alone, which is equal to all the national debt. That money belongs in sums of a thousand dollars to these people——

Mr. WALKER. You mean in sums of \$1,000 or less?

Mr. HIGGINSON. Yes, sir, and the average deposit is \$350 in Massachusetts. These people are frightened and therefore the savings banks must keep their money there. If we have further legislation in regard to silver I do not see why these people will not be cut off one-fifth of their money. That is exactly what will be the result. They will be paid in a currency selling for one-fifth less, therefore they will get only about four-fifths of their money which they have deposited.

Mr. BARTINE. Will you allow me to ask a question? If these people have deposited gold in the bank, would not these banks pay gold?

Mr. HIGGINSON. They have not. They have deposited the money of the community and the banks can only go on so far as they can with the currency of our country. We all must have one dollar, sir.

Mr. BARTINE. The point which I suggest to you is, if they have deposited money which is equivalent to a dollar in gold, what is to prevent these banks receiving that deposit and returning the same equivalent?

Mr. HIGGINSON. Nothing if they can get it. There is no stock of these banks. No doubt if you were there you would be a director in these banks, and a great many gentlemen like yourself are directors. These gentlemen administer these affairs. If they have loaned me (or a great many other people) money on mortgages and they call on me to pay my loan I pay it in currency and they must pay their depositors in the same currency.

SPECULATION IN MONEY.

A great many people have sent a great deal of money to Europe. As a matter of fact a recent letter in a financial paper coming from Europe treats of this thing. It states that the American deposits in England have grown so large that it absolutely affects the money market, and yet they do not know what to do with them, as they may be drawn out any day. That is, if the United States decides to go on with the old coinage, that money will come home; but if we decide to change our coinage, this will stay until they see what comes, or else they will buy silver and take it to the United States. A gentleman who has £100,000 can buy £100,000 worth of silver, put it in the United States Treasury and get \$600,000 worth of paper, and he has made a handsome profit. These are the men who will make the profit. There are not many of these, but you will see what an awful cramp it is to everything. If these men keep sending out the surplus money you will see how it will affect this whole country.

Mr. CARTER. In what manner will these parties make any profit in that transaction if the dollars he receives if exchanged for silver are only worth 80 cents on the dollar?

Mr. HIGGINSON. He will be so much better off for that. He will buy the same things we have, which will shrink in the world's estimation, and he will be enabled to buy so much more. You may say it is a thing only the capitalist can do, but it is not fair to the workingman or to the small trader.

Mr. CARTER. Your theory is his profit would only exist from a local point of view?

Mr. HIGGINSON. Yes, sir; but he would be so much better off than anybody here.

Mr. WALKER. I suppose you mean that while gold is par that can be done?

Mr. BARTINE. Allow me to ask you a question. You suggest that a profit can be made by buying silver abroad and converting it into money here, and, if you will pardon me, I do not think you have made that clear. Do you mean if you get a dollar that will only buy 80 cents worth of commodity you will make a profit here?

Mr. HIGGINSON. The price of silver over there——

Mr. BARTINE. The market price is the same as here.

Mr. HIGGINSON. Yes, sir.

Mr. BARTINE. Where does he make the profit?

Mr. HIGGINSON. He buys it over there and fetches it here, and, as I understand this bill, he can get United States dollars for it?

Mr. BARTINE. But silver is as high in Europe as it is here. How much does it vary; not more than a mere fraction?

Mr. HIGGINSON. If silver is to be the standard it will go to——

Mr. BARTINE. But I say if silver goes up just as rapidly in Europe as here how is a man going to make anything by sending bullion from abroad?

Mr. HIGGINSON. He has simply a larger market to buy silver.

Mr. BARTINE. The difference is exactly the same whether it is large or little. Is not the principle exactly the same?

Mr. HIGGINSON. Yes, sir. But I am speaking of the man who has got the money over there. You pass a law, and he then buys his silver at once there and sends it out here.

Mr. BARTINE. But if it is bought at the market price and if it costs him a dollar and fifteen cents there it costs a dollar and fifteen cents

here, or a dollar and twenty cents there and a dollar and twenty cents here, as the case may be. How does he make anything by converting bullion into a depreciated coin?

Mr. WALKER. He might buy Government bonds.

Mr. HIGGINSON. He can buy anything on the market.

Mr. WALKER. This is the question they want answered. If silver goes up to par at 16 to 1, then of course there is no object in bringing silver here. That is Mr. Bartine's point. Now the question they want you to answer is, Why is that the fact, and if that is a fact what profit is there in bringing silver here, and if that is not the fact what profit there may be?

Mr. BARTINE. That is it substantially. The point is this: If we have free coinage it is perfectly manifest that every ounce of bullion being at once convertible into silver coin will be worth just as much as silver coin, and foreign silver will be worth as much as ours less the cost of transportation, because the price of bullion is practically the same throughout the whole commercial world. If silver is at par with coin here it is necessarily at par abroad, and where does a man make any profit by sending abroad and buying silver at par and bringing it here and converting it into American dollars?

Mr. VAUX. Your question is based upon the fact that silver is of the same value in Europe as silver in the United States.

Mr. BARTINE. I understand that if a man can go abroad and buy bullion at \$1 and bring it over here and convert it into coin at \$1.29 he will make 29 cents; but how can he make a profit when the bullion is worth the same here as there?

Mr. TAYLOR. His question is on the idea that silver coin raises silver to par all over the world.

Mr. BARTINE. What is the cause of the apparent discount upon silver; is it not the fact that there is more bullion on the market than can be utilized for coinage purposes or any other?

Mr. HIGGINSON. No doubt it is.

Mr. BARTINE. Supposing that was taken in the way of coinage, what would become of the discount?

Mr. HIGGINSON. Suppose we take that all in, the whole world is full of silver—

Mr. BARTINE. But I am speaking of bullion as bearing the market.

Mr. HIGGINSON. When we say we take all the world wants to sell and give gold for it, will it not give plenty of silver for gold?

Mr. BARTINE. Suppose as a fact there were one hundred million ounces of silver in the world which is bearing the market and keeping down prices. Now if you should take up the whole of that one hundred million ounces and convert it into coin what becomes of this discount?

Mr. HIGGINSON. We buy that one hundred million ounces of silver and turn it into dollars.

Mr. BARTINE. But what becomes of the discount on silver bullion after that?

Mr. HIGGINSON. It will continue to exist after the hundred millions are coined; the world will continue to give us a lot more.

Mr. BARTINE. At that particular time. "Sufficient unto the day is the evil thereof." When the fresh supply comes in it is another thing; but what is the effect; where would be your discount. Is not your whole argument based upon this idea, that we can take all the silver bullion right off the market into the mint and convert it into coin and the discount remain the same?

Mr. HIGGINSON. Undoubtedly.

Mr. BARTINE. How are you going to have a discount if you have not any bullion on the market?

Mr. HIGGINSON. Because the rest of the world does not want it, that is the trouble. When a man across the waters sends his money over here he wants to get gold and he does not like silver, and if he buys he has to take silver in payment for gold for investment or anything else, and he will not take it.

Mr. TAYLOR. I think we will get along faster if we let the gentleman proceed to make his statement and then let any member of the committee who desires ask him questions when he has finished his statement.

Mr. BARTINE. I wish to say to the gentleman I do not wish to be discourteous.

Mr. WALKER. Let me make a suggestion. You have stated the effect of the timidity which has been excited on the matter of silver. Now will you please take up the question next, what the effect would be on the price of silver under the influence of the free-coinage bill, and then go on from that point as to what your judgment would be as to the bringing of gold and silver together, or anything further you wish to ask.

DEBTOR AND CREDITOR CLASSES.

Mr. HIGGINSON. I will leave that point to one or two gentlemen who are better prepared to speak on that subject. There is one other thing more I desire to say and that is in regard to who the debtor and creditor classes are. So far as I understand it the creditor class is the class that has something to sell for cash, and those are the men and the women who work for day's wages. It is the wage-earners who are the creditor class, and they have one article to sell which they expect to be paid for at the end of the day or the end of the week. Then in addition to them I add the pensioners, who yearly get a fixed sum of money. These are the creditor class.

Mr. WILLIAMS. Do you include those holding securities in the creditor class?

Mr. HIGGINSON. Yes, to a certain extent they would be, but the chief creditor class are the laboring men.

Mr. WALKER. And the chief holder of securities?

Mr. HIGGINSON. The savings-bank people.

Mr. WALKER. They are the poor.

Mr. HIGGINSON. Yes, sir; and their deposit is \$350 on an average.

Mr. WALKER. Who owns the stock in the national banks; women?

Mr. HIGGINSON. Old women generally. The stock is broken up into small holdings; the certificates are broken up into very small quantities.

Mr. WALKER. In a national bank of \$2,000,000 deposits, how many stockholders are there who own as high as a hundred shares?—Answer. It would be very few—five, ten, or twenty. It is the old sewing women and old scrubbing women and mechanics who are doing this; these are the people who own these shares to a chief extent, and the savings banks.

So far as I understand it, the debtor class is what are called capitalists. The other day in New York a great stockhouse failed, I think, for twelve million dollars, and they went to pieces because they bought on margin. These are the people I call the debtor class, and the corporations are the debtor class that borrow a great deal of the savings banks, the railroads, and blast furnaces, etc. The debtor class are all individuals in business who borrow money from these corporations and try to make something between what they pay and what they get out of it.

Mr. BLAND. Do the corporations pay these debts or exact any from the laboring people of the country?

Mr. HIGGINSON. The corporations pay the debts.

Mr. BLAND. Who pays the corporation?

Mr. HIGGINSON. The people for whom they serve and work.

Mr. BLAND. The tax-paying people, or the laboring people of the country?

Mr. HIGGINSON. The laboring people and all other class of people who ride in the cars and pay their fares, and——

Mr. BLAND. Are not they the debtor class if they have to pay these debts?

Mr. HIGGINSON. I should not call the debtor class the man who pays cash——

Mr. VAUX. I hope the gentleman will not be interrupted.

Mr. HIGGINSON. A man who goes into a shop and buys a yard of calico and pays cash I do not call of the debtor class at all. It seems to me after all, when we hear about this whole thing, it is unnecessary to say who uses this money. You will find by looking that it is those people who have credit. It is the people who want and can use that money in business of all sorts, including the small trades folks, including mechanics and small shopkeepers. So far as I can see, the great and real currency of this country and the civilized world is credit. If people have credit they can borrow money. And they do not need more currency. In a transaction between any of you gentlemen there is no money needed. You have a horse to sell and I will buy him, and I say I will pay you in 30 days——

Mr. BLAND. Are the debtor class the people who have the most credit and have the most money?

Mr. HIGGINSON. They can not be debtors without that.

Mr. BLAND. Are they those who have the most money?

Mr. HIGGINSON. I should say the debtor class are distinctly the people who have the most credit.

Mr. BLAND. Are not the capitalists and corporations the debtor class; do not the corporations borrow from laboring people?

Mr. HIGGINSON. The corporations borrow from the laboring people. It is the laboring people who have laid up that money in a very large bulk, and it is those people from whom they borrow it. It is those people to whom the Government turns when they want to borrow money and who buy Government securities.

Mr. BLAND. I will ask whether a man who is worth a million dollars is in the habit of borrowing from a man who is worth nothing?

Mr. HIGGINSON. He can not borrow it if the other man has not any money.

Mr. BLAND. Is it not a matter of fact that people generally borrow money of the rich?

Mr. HIGGINSON. People borrow where they can find it, but——

Mr. BLAND. Then you would not make the poor people, the borrowers of money, but the capitalists, the rich men who loan it, the debtor class.

Mr. WALKER. Mr. Higginson stated that the poor people were not the borrowers but the lenders of money.

Mr. TAYLOR. I understand this accumulation of money in these savings banks is from the poor people.

Mr. HIGGINSON. Yes, sir.

Mr. TAYLOR. That money is loaned.

Mr. HIGGINSON. Yes, sir.

Mr. TAYLOR. Then the poor people loan the money. The accumulation of money comes from that kind of people.

Mr. HIGGINSON. The point I meant to convey was the corporations, etc., borrowed that money of the savings banks.

Mr. COMSTOCK. That is a favorite story which is told the Western farmer in regard to borrowing money of capitalists.

CAUSES OF RECENT STRINGENCY.

Mr. CARTER. I would like to call your attention to the causes leading to this feverish condition of the money market to which you have referred.

Mr. HIGGINSON. Yes, sir.

Mr. CARTER. Did this unrest and doubt exist to the same extent during the last session of Congress after the passage of the free coinage bill by the Senate?

Mr. HIGGINSON. Last summer; it began then.

Mr. CARTER. I will ask you whether that was in any way increased in intensity or in any way modified by the failure of Baring Brothers and the difficulties in South America in a financial way?

Mr. HIGGINSON. I have no doubt it was.

Mr. CARTER. I will ask you if the difficulty or embarrassment of the house of Baring Brothers and the consequent demand in England for a large increase of gold did not increase the sale of many of the leading American securities?

Mr. HIGGINSON. I have no doubt it had an effect upon them.

Mr. CARTER. How can you separate the effect created abroad by the silver legislation and the failure of Baring Brothers and by South America's difficulties so as to apply to the silver agitation?

Mr. HIGGINSON. I do not think anybody can.

Mr. CARTER. Have you any means of knowing whether this silver legislation now being agitated would have more effect this winter than last summer provided these South American difficulties had not intervened, together with the partial failure of Baring Brothers?

Mr. HIGGINSON. I do not think that is a thing anybody could tell.

Mr. CARTER. What reason have you for believing that the effect would be more pronounced now than it was last summer if these financial difficulties had not occurred elsewhere?

Mr. HIGGINSON. Because there is a great deal more doubt than before, and there is a great deal more excitement in Europe about it.

Mr. CARTER. Does not agitation in Europe proceed more from the feeling of unrest created by the astounding news that Baring Brothers had become crippled financially?

Mr. HIGGINSON. It certainly caused a great deal of excitement, but this agitation thus far about our securities began before the Baring trouble, and it was very pronounced when the discussion was going on here long before the Baring trouble, and word came to us from abroad, "We will not do anything about it at all; we will not take any securities."

Mr. WALKER. What reasons were given for that?

Mr. HIGGINSON. That they did not like the looks of things; that they did not know what they were going to get when they sent over a dollar, and they did not want the securities.

Mr. BLAND. How does it happen that our bonds are at such a high premium?

Mr. HIGGINSON. What kind of bonds?

Mr. BLAND. Government bonds.

Mr. HIGGINSON. Because the Treasury buys them. They are not held in Europe much.

Mr. BLAND. They are at a premium. Now I will ask you this question: Was it not the case in 1878 when this same question was pending here; were not we threatened with this same fear of disaster to our mercantile interests, and was it not predicted that our bonds would be repudiated and by that legislation gold was going to a premium, and has not that all been shown to be untrue? Have not our bonds gone up, more gold in the country, our bonds worth more, and our credit better?

Mr. HIGGINSON. I certainly am not going to give voice to any criticism of what is past.

Mr. BLAND. If anyone made those predictions, however, with reference to that legislation and those predictions have proven to be failures, not only failures but the very reverse of the predictions, do you expect us to believe that your predictions are coming true? You must give proof.

Mr. HIGGINSON. That case is different you know from the present one. Here we say we are going to try an experiment——

Mr. BLAND. You said that before.

Mr. HIGGINSON. It is an experiment that we never tried before. You are asking about the prices of our own securities——

Mr. BLAND. I heard the same speeches then that I hear to-day.

Mr. HIGGINSON. In regard to prices: I do not think you will find prices have gone up except for the best kind of home securities. I do make this point, that this affair began long before the Baring trouble. They failed in November and the trouble began in June.

Mr. BARTINE. There is a question I wish to ask in connection with what you say of this feeling of unrest and uncertainty in Europe and here in America over the proposed silver legislation. Do you think that the proposed silver legislation in America had anything whatever to do with the shortage of gold in the Bank of England which made it necessary for that institution to borrow \$15,000,000 from France?

Mr. HIGGINSON. I do not.

Mr. BARTINE. Do you think the talk of free coinage in America made gold scarce in the Bank of England?

Mr. HIGGINSON. No, sir.

Mr. BARTINE. Do you not think the scarcity of gold in the Bank of England had a great deal to do with the feeling of unrest and uncertainty?

Mr. HIGGINSON. It did at that time, but that was November.

Mr. BARTINE. I am merely suggesting to you that this feeling of unrest and timidity may have grown almost entirely out of other things than that of silver legislation.

Mr. HIGGINSON. But it began long before November.

Mr. BARTINE. Can you in any way connect the silver agitation in America with the scarcity of gold in the Bank of England?

Mr. HIGGINSON. I do not think it has anything to do with it.

Mr. BARTINE. Did not the scarcity of gold in the Bank of England have something to do with the financial troubles in America?

Mr. HIGGINSON. That is a very hard question to answer.

Mr. WILLIAMS. You spoke of the unrest. What effect, if any, did the passage of the Windom bill have upon the unrest you speak of? I understand it began months previous to November.

Mr. HIGGINSON. You mean the legislation of last summer?

Mr. WILLIAMS. Yes, sir.

Mr. HIGGINSON. It simply intensified it.

Thereupon the committee adjourned to meet at 10.30 a. m., Thursday, January 29, 1891.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Thursday, January 29, 1891.

The committee met at 10.30 o'clock a. m.

Present: Messrs. Wickham (chairman), Walker, Carter, Comstock, Bartine, Knapp, Taylor, Bland, Williams, and Vaux.

STATEMENT OF GENERAL FRANCIS WALKER, OF BOSTON.

PANIC FROM FREE COINAGE.

General WALKER. Mr. Chairman and gentlemen of the committee: Those who have sent us here, the merchants and manufacturers, the shippers and bankers of Boston and Massachusetts, have done so because in their judgment the passage at the present time of a bill for the free coinage of silver by the United States alone among the nations would, whatever its ultimate result might be, produce immediate effects very highly disastrous to the trade and production of the country and, in consequence, to the general prosperity of the people. Whoever may be right on the general question of the use of silver as money, the free coinage of silver at the present time must be a prodigious force operating upon the foreign exchanges and the domestic commerce of the people of the country. Even if those who are pressing the present measure are correct in their views of what will ultimately come of the free coinage of silver, it is not the less true that nine-tenths of those who have to do with the control of finances in Europe and four-fifths of those who exercise large financial powers in the United States believe that this measure would be a gigantic mistake.

Such a conviction, rudely assailed by legislation such as is proposed, could hardly fail to result in producing immediate effects of the greatest consequence in drying up the springs of credit, in checking investments, in limiting loans on industrial and commercial account, and in throwing around the diminished loans which would continue still to be made safeguards and securities which are not compatible with the urgent and the instant exigences of trade and production. There must be an interval, longer or shorter—it may be 1 year, 2 years, or 3 years—before it can be proven that substantially all the educated financial opinion of the world is mistaken in this matter, and during that interval the causes which have been indicated must operate more or less, and very extensively at the least, to paralyze industry and to disturb domestic trade and foreign exchanges.

Now, Mr. Chairman and gentlemen, it seems to us that that is a tremendous price to pay even for a great public good, were the public good in this case universally conceded. The operation necessarily would be a painful one, from which the stoutest nation might well shrink, even in view of a universally desired end. It was the reluctance of the people to undergo the necessary surgery and cautery which so long postponed the resumption of specie payments by the United States.

If the free coinage of silver by the United States alone would result in achieving the desired parity between the metals, if we were confident that such would be the case, we might perhaps urge the people of the United States to submit to the necessary sacrifices. But to incur such losses and injuries for an object which is clouded all over with doubt and distrust, as is the free coinage of silver at the present time, it seems

to us very unwise. This is a matter against which those especially representing——

Representative WALKER. You mean the free coinage by this country alone?

General WALKER. Yes, sir; it is a matter against which those who especially represent the accumulated capital and the commercial enterprise of the country may very well protest; from which they may very well ask to be delivered, at least until the matter has been carefully canvassed from end to end the country over as a practical measure.

FREE COINAGE WOULD NOT RESTORE SILVER.

But, Mr. Chairman and gentlemen, those who have sent us here do not believe, in the second place, that the proposed measure will be successful according to the hopes of its advocates. They believe that the only result will be the immediate financial and industrial disturbance which has been indicated, followed by a collapse more complete than ever before of the so called cause of silver.

On this point, Mr. Chairman, I may perhaps be excused for saying that I speak with no prejudice against the object which is specially in view on the part of those who have advocated, framed, and thus far forwarded the present measure. For fourteen years I have been an earnest and consistent advocate of the restoration of silver to its rank as a money metal of full legal tender powers, and there is scarcely a political result which is conceivable, likely to take place within any reasonable term of time, which would bring me greater joy than the union of the United States with the principal commercial nations of Europe, in establishing the free coinage of silver upon a common ratio. But the present measure, it seems to me, is a menace to that very object and it is especially as a bimetalist, a consistent and earnest bimetalist, that I have felt called upon to say a word in question of the present measure.

I confess that I cannot conceive how any man who has largely studied the question can believe, can even hope, that the United States can go it alone in this matter of silver coinage; can undertake to do so without coming to speedy grief and humiliation. I am very well aware that many gentlemen do honestly so hope and so believe, but the overwhelming preponderance of the educated financial opinion of the world inclines to the belief that the proposed measure would simply result in stripping us of our gold, in upsetting our exchanges with the great trading and producing nations of the world, in bringing us down to the level of second rate financial powers only, such as China, India, and South America, and in involving our trade and production in all the evils, the inexpressible evils of a depreciated and fluctuating currency.

We may be wrong in this, but as long as reasonable doubt exists upon the subject it seems to us that a tremendous burden of proof rests upon those who ask the nation to risk all its interests upon the bare assumption, which is without a particle of evidence, that the United States by itself can make a pound avoirdupois of silver equal to an ounce of gold in value year by year all the world over, considering the immense stock of the cheapening metal which is in existence and the enormous capabilities of the open mines.

Representative WALKER. Will you please state to the committee what official position you have held in connection with this question?

General WALKER. I have held no very important position in this connection. I was one of the commissioners to the Paris conference of 1878, dealing with the silver question.

Representative WALKER. You investigated it there?

General WALKER. Yes, sir.

Representative BARTINE. I understand you to say that you are a bimetallist and that you are heartily in favor of the complete restoration of silver by international coöperation?

General WALKER. Yes, sir.

Representative BARTINE. Why do you prefer the double standard to the single standard?

General WALKER. That is a very large question.

Representative BARTINE. Do you think the double standard preferable?

General WALKER. I think it highly preferable.

Representative BARTINE. If the United States could accomplish the same result alone would that be satisfactory?

General WALKER. Perfectly.

Representative BARTINE. It is only a question, then, as to whether the United States possesses the capacity of absorbing and using silver to a sufficient extent to maintain its parity?

General WALKER. Certainly. Conceding that, I would be as heartily in favor of the measure as anybody.

Representative BARTINE. How can that ever be determined unless it is tried?

General WALKER. It can not be determined absolutely unless by trial; but if there had been an hour of pretty stiff frost I should not let my boys go on the ice on top of deep water.

Representative BARTINE. You suggest that the burden of proof is upon the advocates of free coinage in this country. But in view of the fact that silver has been one of the great money metals of the world and was, down to 1873, without the slightest trouble, do you not think the burden of proof is upon the other side to show that these dreadful disasters would come in view of the fact that they never did come?

General WALKER. No, sir; if you desire me to state my reasons I can do so.

Representative BARTINE. I should be very glad to have you do so.

MAINTENANCE OF DOUBLE STANDARD.

General WALKER. I should say that from 1803 to 1873 the double bimetallic system was maintained by the concurrent action of countries representing sufficiently large monetary and financial power to hold it up. It is purely a question of the strength of the forces working towards its disruption and the strength of the powers which are used to keep it together. Up to 1871 Germany was a silver country. Several countries which have since gone over to gold were then silver countries and used enormous amounts of silver. France and the states of the Latin Union, assisted to a great extent by Greece and Spain and Austria, maintained the bimetallic systems in full force. This is exactly what I desire, and greatly desire, to see done again.

Representative BARTINE. Do you not think, Mr. Walker, looking at the population of the United States, the extent of our territory, its undeveloped condition, and the wonderful opportunities which it affords for the profitable investment of money, that the United States is a greater and would be a greater and more potential force in the settlement of this question than the entire Latin Union and Germany combined?

General WALKER. I do not. I do not think it would even have the same power that France alone has. France is a country that uses an enormous amount of metal. It has few banks and there are many depart-

ments in which there are no banks. We use banks and checks to an enormous extent. I think France is capable of absorbing a larger amount than the United States owing to its less advanced industrial and commercial character.

Representative TAYLOR. Are you in business?

General WALKER. No, sir.

Representative WALKER. Please state your present position.

General WALKER. I am president of the Institute of Technology and was Superintendent of the Ninth and Tenth Censuses of the United States, and Commissioner of Indian Affairs for a short time.

Representative BLAND. Is it not a fact that one-half of the gold produced in this country comes from silver mines?

General WALKER. I do not understand it to be universally true.

Representative BLAND. In this country?

General WALKER. I do not understand it to be so. I am subject to correction.

Representative BLAND. Supposing it to be so, is it not a matter of great importance that silver mining itself should be encouraged in order to secure the production of gold?

General WALKER. Well, as I say, I do not understand that to be the fact.

Representative BLAND. But supposing that is the fact. Let us assume that that is the fact. Take the mines in the country on the average. If it be true that from the silver mines of the country on the average about 40 or 50 per cent. of the production is gold, is it not greatly to the interest of gold that silver mining should be encouraged?

General WALKER. Certainly, on such an assumption I should say so.

Representative BLAND. Would it not be greatly detrimental to gold to discourage silver mining by limiting the use of silver as money?

General WALKER. If it is true that the production is in equal parts as to value.

Representative BLAND. I say assuming that it is true. If free coinage would have a tendency to increase largely the production of gold in the same ratio that it did silver, would it not be desirable to encourage the production of silver and of gold in that way?

General WALKER. Do you mean to encourage it by positive legislation?

Representative BLAND. I mean by giving silver the same use at the mints as gold, in order that the production of gold as well as silver might be promoted in this country.

General WALKER. I am in favor of a liberal money supply.

Representative BLAND. Are you in favor of the subtreasury plan, of the United States loaning money on farm lands and on farm products, and would you favor something of that kind in preference to free coinage?

General WALKER. I certainly should not choose the first under any circumstances.

Representative BLAND. It might be that we will have to choose between the two.

Representative CARTER. I would like to ask you a question.

General WALKER. I am reluctant to encroach upon the time of my colleagues.

DISASTER FROM APPREHENSIONS.

Representative CARTER. I understand you to say that there exists a wide apprehension throughout the financial world, particularly in this

country, of the disastrous results to attend the opening of the mints to the free coinage of silver.

General WALKER. I state that to be my opinion.

Representative CARTER. Do I further understand you correctly in drawing the inference from your remarks that it is wholly immaterial whether this apprehension is well founded or not; that the doubt itself would bring the disaster regardless of the basis upon which it was founded?

General WALKER. I did not mean to imply that it was immaterial whether it was well founded or not. What I said was that in the interval, until it could be proven or disproven, it was immaterial.

Representative CARTER. I understand you, then, to say that during this interval, pending the practical solution of the question whether or not the apprehension was ill founded, the result would be disastrous.

General WALKER. I should hardly use so mild a term as "doubt." I think it is an absolute belief on the part of those who control the financial interests of the world.

Representative CARTER. Whether the conviction was founded upon well taken premises or not, your judgment is that disastrous results, financial stringency, frequent failures, and great financial difficulties would result inevitably from the free coinage of silver, for a period of time at least.

General WALKER. Perfectly.

STATEMENT OF WILLIAM ENDICOTT, JR., OF BOSTON.

MONEY OF SAVINGS BANKS.

Mr. Chairman and gentlemen of the committee, I think I can say all I wish to say in the five minutes allotted to me. I appear as president of a savings bank, one of those referred to yesterday by Mr. Higginson—one of the largest savings banks in Massachusetts—that have 54,000 accounts, representing 24 to 25 millions of dollars of deposits by the working people. The Massachusetts law does not allow anybody to deposit more than \$1,000 with us, and we do not want you to allow a measure like this to pass that will lessen the purchasing power of that money of that vast body of people. Of course the managers of the savings banks in Massachusetts serve without compensation, and they are not allowed to owe any money to the banks. So that it is purely a charitable enterprise, an enterprise to encourage thrift and saving propensities among the people.

It amounts to a large sum in the aggregate, and with a surplus amounting to about three hundred and seventy millions, it seems to me that the fact of free coinage, without the concurrence of other nations, would make a difference in the purchasing power of money from what it is at the present time, and if it were depreciated 10 per cent. it would amount to a sum that would be a serious burden to throw upon those who earn their living by day's work.

Another thing that occurs to me is this: we are not allowed by the law of Massachusetts to make any loans outside of the State, but we loan a great deal of money to persons living in the State who furnish good security for investment in the other States. It runs into the millions. Millions of our money are invested in Denver and Kansas City. That money is borrowed of the savings banks, and those persons naturally feel uneasy about making loans at the present time. They are in

doubt, and this doubt interferes very much with a natural flow of capital. Of course borrowers will go to places like London where money is cheap, and not go where money is dear.

FLOW OF CAPITAL.

It is to the interest of the Western country to attract capital. Great confusion exists out there on this question. They say that money is scarce when they want to borrow money, when they mean that capital is scarce when they want to borrow capital. There is the confusion.

My position as president of the savings bank is only a side issue with me. My business is dry goods, and when we have not capital enough for the proper conduct of our business we borrow somebody else's capital. A check for the money is given and that transfers the capital from the owner to myself, who wants it.

The trouble seems to be that when there is a little stringency in the money market, when capital is in demand, certain parties come here to Washington to ask that a new issue of paper money be made to relieve it. All such currents should regulate themselves. Capital flows where it is best paid for, where confidence exists. Capital is very timid. Anybody who can be called a capitalist would rather have his capital of course in a safe place, where confidence exists, and get a little for it than to put it where it is uncertain and get a high price for it. But the rule is that capital flows where it is best paid for, and there is confidence.

In 1876 I was in Colorado. As I was walking along the street I saw the sign of a bank, and I thought I would go in and get posted. I asked the cashier what rate he was getting for money, and he said 5 per cent. a month. I told him that I had had paper discounted in London within a short time for five-eighths of 1 per cent. per annum. That shows the difference in capital; but I will say that five-eighths of 1 per cent. was the lowest rate I ever knew of. If a man in London could know what he could get for money invested in Colorado in any business enterprise upon good security he would hasten to put his money there. A person in London knowing that would readily loan his capital, and the capital of London would flow that way, and anything that would stop that flow of capital would be a greater injury to Colorado than it would be to London. When I borrow money I think I can make better use of it than the interest I pay on it. The general opinion here used to be that the lending class is a class of oppressors. I do not think so. I rather feel indebted to the man whom I borrow from. I rather think the obligation is the other way.

Representative TAYLOR. How would you make your loans payable?

Mr. ENDICOTT. In the currency of the country.

Representative TAYLOR. How would you make them payable if the free coinage act passed?

Mr. ENDICOTT. We would have to take the legal tender of the country. We could not discriminate. A man gets his wages of \$12 or \$15 or \$20 Saturday night paid in the existing currency of the country. The bills may be worth 80 cents or 90 cents or a hundred cents on the dollar.

Mr. TAYLOR. I mean in lending money out.

Mr. ENDICOTT. Well, I will say that we have made a large investment in bonds. We had some city of Boston bonds which we regarded as the best security we could have, but we sold the city of Boston bonds and put the money into railroad bonds that were payable in gold.

The Boston bonds were payable in currency. That shows the idea I mean to convey.

Mr. TAYLOR. If the free coinage bill passed would you not endeavor to make your loans payable in gold.

Mr. ENDICOTT. Yes; but if persons borrowed in currency the loan would be payable in currency and if in gold payable in gold.

Mr. TAYLOR. You would make those payable in currency pay a greater interest than those payable in gold.

Mr. ENDICOTT. If anybody should make the note payable in gold we would give the money at a less rate than we would give the money on a note payable in currency.

STATEMENT OF MR. F. W. BREED, OF LYNN.

PROTEST OF SHOE AND LEATHER ASSOCIATION.

Mr. Chairman and gentlemen of the committee: I appear for a large body of manufacturers who buy their raw material all over this world, as well as in every State in this Union, and who sell their productions to every State in the Union, and I might say to every individual in this country. They employ large bodies of labor, and they have instructed me to present their views in the manner I shall now proceed to give them.

The executive committee of the New England Shoe and Leather Association, representing the largest manufacturing industry of the country, employing many thousands of operators and supplying a necessity to many millions of people, view with concern an attempt to order an unlimited coinage of silver dollars of fluctuating and uncertain value, to be forced upon the people of the United States.

We therefore respectfully represent—

That the silver coin already authorized and in circulation in the United States will very soon equal in amount the coin of gold value; that with unlimited coinage the silver dollar will soon preponderate and disarrange the entire monetary system.

That the currency of the country, which is coin and its paper representative, is the measure for all business transactions; that a preponderance of silver coin will tend to impair confidence, unsettle business, and produce commercial confusion.

That as the great staple products of the country are subject to the markets of the world, the value thereof is measured by the recognized gold standard of nations. It is the right of the producers thereof to provide for their necessities at values measured by the same standard. It would be a grievous loss to those dependent upon salaries or daily wages for a means of livelihood, and a burden upon people in general, to be compelled to accept an inferior coin and currency; would in effect be a partial repudiation and a gross breach of faith, and fraught with disaster to the commercial, manufacturing, and business interests of the community.

That the proposed increase of silver coin is in the interest of speculation, and must inevitably work to build up and enrich a class of non-producing money exchangers, at the expense of the producing people.

That in the experiences of the world a predominating silver circulating medium is the inheritance of evil, attaching by necessity to impetuous and dependent countries; that it does not comport with the dignity and importance of the United States, a financially sound and

prosperous nation, to adopt such a token of inferiority and index of poverty.

That the United States as a nation of first rank is entitled to representation by coinage and a currency of the same rank, which first rank is recognized as that of gold at full value.

We therefore earnestly protest, in behalf of those we represent, against any change in the standard of value, or any increase, by purchase or otherwise, of silver, not now authorized by law.

The executive committee referred to is composed of the following gentlemen: Wm. Claflin, Francis F. Emery, W. E. Field, Edward Hutchinson, A. L. Coolidge, E. L. Pickard, Wm. B. Rice, Griffin Place, Thos. E. Proctor, John C. Potter, and Edward H. Dunn.

STATEMENT OF EDWARD ATKINSON, OF BOSTON.

VOLUME OF MONEY AND CREDITS.

Mr. Chairman and gentlemen of the committee: In what I have to say when I use the word money, I mean coin, coin certificates, legal-tender notes, and national-bank notes. A part of this circulating medium is lawful money, capable of being offered as a legal tender; a part is not lawful money, but being convertible into lawful money on demand it does the same work. This volume of money or circulating medium or currency, or by whatever name you may please to call it, is now larger in absolute amount and also larger in amount per capita than it has been since the highest point of paper inflation in 1865. It is now within a fraction of \$24 per head.

1880 was a very prosperous year; in that year money was very plenty, yet the amount per capita was less than it was six weeks since when money was said to be very scarce.

If the committee want exact figures I will send them at a later date.

That part of this volume of money which is lawful money or legal tender is what must be kept in bank reserve as a basis of credit. Credit rests upon the quality of the money more than it does upon the quantity, and does twenty to fifty times more work.

The quantity of money which is required for circulation—that is to say, what people keep in their tills or in their pockets—is least among the most intelligent people who can trust each other and who meet their payments when they are due by checks and bills of exchange on banks. Where people are not well informed and are ignorant of the service which banks render them or who refuse to have banks established, a greater amount of money per capita will be needed.

In France, where the mass of the people are ignorant but thrifty, a large volume of money is in circulation, computed at \$57 per head. In England, where banks are well established and trusted, the amount of money is \$22 per head. In Germany, which is, on the whole, a very poor country, and where a little money of good quality goes a great way, \$20 suffices. I can not give the amount per capita in Scotland, but it is less than anywhere else, because every farmer looks upon the bank as his next friend. There are 12 great central banks and over 1,000 branches in that little section, where thrift and intelligence are universal, and the actual money in use is very small. In this country we have about \$24 per head now.

In Massachusetts, I think, a very small amount of money per capita suffices, because every considerable town has its commercial or national

bank—all business is done by checks—money received in shops is deposited the next day, and the money which is paid in wages is either spent in the cost of living or what is saved is put into a savings bank. Since the savings banks were established the deposits have been about \$1,800,000,000, of which \$350,000,000 now remains in them. Nearly every other man, woman, and child has an average deposit of \$350. These banks are managed by unpaid trustees, and the total losses from bad investments, bad debts, and frauds have been less than one-tenth of 1 per cent, about 7 cents per \$100. Therefore the people of Massachusetts are practically a unit in asking you to keep the quality of the money good, knowing that then the quantity will take care of itself. They demand the best kind of money to earn and to spend.

MONEY AND PRICES.

We understand the position of the advocates of free silver coinage to be that the quantity of money is not sufficient, and for that reason the price of farm products and other commodities have been lowered and no longer pay cost. We think that you are wrong. If the price of farm products does not pay the cost why do the crops increase? If there is a scarcity of money by which the price of the product of labor is kept down, why does it not keep down the price of the labor by which the product is made?

Prices have gone down, it is true; but if they had not consumers would not have shared the benefit of the vast improvements and inventions which have been applied in the last 25 years—greater during the last 25 years, especially in the processes of agriculture, than ever before. You attribute the reduction to a scarcity of money and to an appreciation of gold. Now, in point of fact, while prices are now lower than they have been at some periods since the great supply of gold from 1850 to 1860, they are not, as a whole or as affecting the necessities of life, as low as they were before that period, although the same effort or work of hand or head will now produce a vast deal more of every product, while wages are more than double what they were in that period.

Now, if it had been scarcity of money that had put prices down since the time to which I refer the same influence which put down the price of the product of labor would have put down the price of labor itself. Such has not been the effect. The price, that is the wage, of labor is now higher than at the highest period of inflation in 1865, and the workman can buy a great deal more food, fuel, clothing, and shelter for each dollar. I think this shows a favorable, not an adverse, condition.

EFFECTS OF SILVER BILL.

I think your proposed act, after first restricting credit and producing great difficulty, if not disaster, and reducing prices for a time—which the very prospect has begun to effect—may slowly put up prices and will as surely put *down* wages by restricting employment. Capital has already stopped going south and west from the North and from England. If this act is done it will cease for a time and those who chose to run the risk of a fluctuating and uncertain silver monometallic basis may begin once more to invest in land.

There has been a deficiency of credit and of banking capital in some sections. From 1884 to 1889 35,000 miles of railway opened new sections to trade and commerce. These railroad companies enabled a movement of merchandise such as was never seen before. The tons moved

in 1884 numbered 400,000,000, moved 112 miles. In 1889, 620,000,000 tons moved 111 miles.

I have taken great pains in analyzing this traffic. It was worth at least \$40 per ton. While population increased only 13 per cent. railway traffic increased 54 per cent. But banking facilities and consequently credit only increased in small measure, because of the foolish prejudice against corporations and banks which exist in some of the less intelligent portions of the country—I speak commercially when I say less intelligence.

This proposed act will restrict credit, stop progress, throw back the abundance, and maintain sectional division. For that reason I protest against it, and I may speak in the name of the owners of more than \$500,000,000 of manufacturing property, whose property my company insures against loss by fire for nearly \$100,000,000.

In their name for whom my function is to protect from loss by fire, I move and act in order that I may also prevent them from the loss which will arise from the shock to credit which this act will bring upon them if you do not stop it.

If you wish for conclusive documentary evidence of the facts which I have stated, I will send you enough to occupy all your time until after the 4th of March.

STATEMENT OF CHARLES C. JACKSON, OF BOSTON.

DANGERS FROM SILVER AGITATION.

Mr. JACKSON. Mr. Chairman and gentlemen of the committee, I have not much to add to what already has been said here, except to state the reasons why I came down. I am a stockbroker.

Representative TAYLOR. A stockbroker?

Mr. JACKSON. Yes, sir; stocks and bonds. I am the president of one of the largest savings banks in Boston, having about \$34,000,000 of deposits. I am very much afraid personally that a financial panic will come on even if you do not pass this free-coinage bill, and that my loans—no broker can get along without borrowing all the time—will be called, and that I, in conjunction with other brokers, will fail. That is my apprehension, and that is the reason I come here.

Representative BARTINE. You say if we do not pass this bill?

Mr. JACKSON. I mean if you keep on agitating the subject.

Representative BARTINE. Had we better not pass it, then, so as to supply you with money to make your payments?

Mr. JACKSON. I wish to Heaven you would give up tinkering with the matter. If you do not there will be a repetition of the trouble of 1884 and 1885. In 1884 and 1885 there was a run on the United States Treasury and in 17 months the Treasury lost \$17,000,000 of gold and they came down to within \$16,000,000 of the greenback reserve. Now I say that we have come to a period in business and we have got to a time where things are getting down again, and this sort of agitation you are making is very likely to produce the same difficulties. For my part I think it will. I think if this subject is not quieted very soon we will find that the customs will be paid in silver certificates and greenbacks as they were in 1885. In fact the silver certificates and dollars are just as much a burden on the Treasury as if they were paid over the counter. It is just as bad to the Treasury as if they went to the Treasury and demanded gold. This is a very bad situation of affairs.

We in the street who are borrowing money all the time have an apprehension about it and do feel very anxious indeed. As I said before, this tinkering with the matter will some fine day, and within a year or two—we are going to have dull times in business—produce a financial panic, and the United States Treasury will be emptied of gold and the banks will all fail up and down the street.

STATEMENT OF EDWARD W. HOOPER, OF BOSTON.

BUSINESS APPREHENSION OF SILVER STANDARD.

I am here simply as a sample of a troubled and unhappy man of business. I have the misfortune of being between the upper and the nether millstone. I am a member of the finance committee of the bank of which Mr. Endicott is president. I am on the committee that decides what we are to do about lending money. I am treasurer of Harvard College, which has something over \$7,000,000 invested in property. I happen to be president of a corporation that must borrow money to increase their facilities, and my days are spent mostly in attending meetings. We had two successive meetings last week. One was at the savings bank, where we know how to lend money with safety. The other was where we wanted \$500,000 to improve land that we had purchased, and increase the value of the property. The directors said they did not have the money. The money could be had on short time, but the parties said they would not borrow on short time.

Representative TAYLOR. Was this money that was to be spent in New England?

Mr. HOOPER. No, sir; in the West. The president of the bank said he would not lend money except to be repaid in a short time, because if this bill passed there would be a panic, and the bank officials would be placed in an unpleasant position. The company that wanted to borrow the money had been in operation many years.

I will say, as treasurer of Harvard College, that we own one of the best business corners in Boston, occupied by one of the best business men in Boston on a 10 years' lease. He said to us, "I am anxious to enlarge my business; I am 50 years old and I want to lay out my business for the next 50 years." He is a Jew and wants to make money. He said he wanted to lay out his business on a large scale, and he wanted a 20-years' lease on this corner I refer to. He wanted to know what terms he could have it upon for an extended lease of 20 years. He is a man engaged in large business operations, but we would not give him a lease for over 10 years unless he would stipulate to pay the rent in gold. He said, "Will it not answer if I make the lease for payment of rent in currency of the country for the first 10 years and for the next 10 years in gold?" I said, "No, it will not do," and so the matter hangs. He wants to extend his business, and we want the rent from him to pay the salaries of the professors.

We are unwilling to part with the ownership of our property for any rent he wants to pay.

Representative BARTINE. You want to get it in gold?

Mr. HOOPER. Yes, sir; if we get gold contracts we will lease it freely.

STATEMENT OF F. W. TAUSSIG, OF HARVARD COLLEGE.

EFFECT OF FREE COINAGE ON PRICES.

Mr. TAUSSIG. Mr. Chairman and gentlemen of the committee : I shall not venture to occupy the whole of the liberal amount of time which has been given me, but if I can in any way serve the members of the committee in answering questions I shall be glad to do so. The point to which I venture to direct your attention is the probable effect of the proposed legislation upon the general range of prices in the United States. I take it that the object of the proposed legislation in the main is an enhancement of prices, and I suspect that if that result is not attained, and is not attained within a reasonably short space of time, we shall have a demand for more legislation of the same sort. To my mind, speaking for myself alone, it is the probability, certainly the possibility, that the demand for further legislation in the same direction constitutes perhaps the greatest danger of the legislation itself.

Now, the question, what will be the effect of the proposed legislation upon the general range of prices, naturally suggests the question, what does determine the general range of prices. I think it is there that what seems to me a misconception of the basis of this legislation is to be found, namely the misconception that an addition to that part of the currency of the community which consists of silver dollars and silver certificates and national bank notes and greenbacks of the smaller denominations will have the effect of enhancing prices within the community. I think what some of the gentlemen with whom I have come here have said, and what all monetary experience proves, that the general range of prices does not depend exclusively upon that sort of money and indeed in the community in the United States does not depend mainly upon that sort of money. The great bulk of the transactions in the United States, by far the most effective part of the circulating medium of the United States, is to be found in that machinery of exchange which operates through the banks, through bank deposits, and through bank clearings. It is the volume of that kind of currency which is most effective in influencing general prices, and no addition to the circulating medium of other kinds will have any effect upon general prices, unless it at the same time stimulates this other form of medium of exchange.

Representative BARTINE. I would like to ask you if an addition to the substantial money of the country lying as reserves in the banking centers would not have that identical effect?

Mr. TAUSSIG. If the gentlemen of the committee will permit me to occupy their time for but a few minutes more I shall be, perhaps, more free at the close to answer questions.

Now, then, perhaps assuming for the moment that that is the case (I think any business man will tell you it is the case, and I do not think any member of the committee will be disposed to deny it), that the most effective part of the circulating medium of the community depends upon bank deposits and bank clearings, that enormous medium of exchange, we must admit that the volume of that sort of currency is affected more than anything else by the disposition of those who furnish it and those who use it; that the extension of bank credits is a matter of loans by banks; that the use of bank credits is a use of that form by business men. We therefore know that the volume of that sort of currency is,

to say what gentlemen have already said, a question of credit and a question of confidence.

These questions depend mainly upon the feeling of those who use this form of money as to the probable outlook for the future. Whether there be cause or no cause, the undoubted fact is that the largest number of persons who use this and put in motion this most effective part of the medium of exchange have doubt, have a lack of confidence, and have a feeling that the proposed legislation will embarrass operations for the future among those who have to loan—an indisposition to loan; and among those who might wish to borrow an indisposition to borrow. Therefore the effect—as certainly the prospect of the passage of the bill is one of the factors in helping to bring about the present state of distrust—of the actual passage of the bill would undoubtedly be to intensify that effect.

Whether we shall have a panic or not I do not know. That is a question the men who are in active business are more qualified to speak on than I. No man can tell. No man can tell when a panic is coming. The only thing you are sure of is that the more people expect a panic the more likely it is to come. It is like a panic in church. Everybody wants to go out, and it results in a panic. Whether we shall have a panic, as I say, I do not know, and I do not think any man can predict. That we should not have in consequence of this legislation immediately in the near future a rise in prices I think it is impossible to deny.

Looking now—to turn to a subject to which Mr. Bartine has directed my attention—at the ultimate and more probable effect, no doubt it is true that in the course of years and after a time, provided that the community should settle down to the use of a silver currency, as you will perhaps see, for the moment it is exclusively a silver currency, there would probably be eventually—no man can say whether in 1, or 3 or 5 years—a certain accommodation of the volume of credits to the increased basis. Probably there would be in the long run a certain rise of prices within the United States. How great that rise of prices would be would doubtless depend upon the future price of silver. Probably being eventually somewhat higher if the future price of silver were lower.

I have myself a suspicion that that sort of a slow and gradual and uncertain rise, preceded not by a period in which all farm products would go up at once and all products go up in price at once, but preceded by a period of stagnation and lower prices, and followed by slow and gradual and uncertain rise in prices—how great no man can say and how soon coming about no man can say—I suppose myself that that sort of result would not be satisfactory to those who most want the increase of money; and that, therefore, before that time would come around, either the agitation which the country is now undergoing would have disappeared entirely, from an increase of prosperity, from a state of things in which we had abundant crops, selling at high prices, which would materially improve the situation of all farmers, and create a demand for grain—as I say, either the whole of this present agitation would have evaporated by that time, or else that slight and uncertain and comparatively meager result which would have been reached in the long run would not be satisfactory, and presumably they would want something more.

MEANS OF MAINTAINING PARITY.

There is one further subject upon which I venture to say a few words. That is the extent of the means which the United States has for the

purpose of possibly maintaining silver at par with gold, and possibly maintaining the concurrent circulation of the two metals.

To me it seems quite immaterial how much gold we have circulating in the country as a whole—how much gold we are supposed to have in the country. I will say by way of parenthesis that I greatly mistrust the statement of the amount of gold we have in circulation. I think the figures giving this largely exaggerate the amount. However that may be, the great part of the gold for maintaining silver at a par with gold is the gold which is in the United States Treasury, the free gold which is in the United States Treasury.

The United States Treasury owns net, deducting silver certificates, by the statement of the 1st of January, about one hundred and fifty millions. I am told now that the Treasury owns about one hundred and forty millions. That is the sum the Treasury has as the means of keeping silver on a par with gold, and it is a slender sum. If the Treasury were drawn on and should have to pay thirty or forty millions of that gold, the rest would be useless for maintaining the gold standard. Just as soon as the Treasury of the United States refuses for the first time to pay any creditor who wants gold—gold for its obligations—the possibility of maintaining silver on a par with gold disappears. I do not think the resources of the Treasury will do that with the temptation that comes from silver at \$1.29 an ounce.

Representative BARTINE. Is not that a reason why we should have a bimetallic standard?

Mr. TAUSSIG. That raises the old question whether the currency of the world on the gold basis could carry on the business of the world without embarrassment. Those who believe as I do that the best basis is gold say that a very narrow margin of gold suffices for a large volume of currency in times of confidence, and the standard is maintained easily. While bank notes issued under the present policy are preferable, I think the issue of silver certificates for the purpose of what I call large change, in such quantities as are needed to perform those obligations, is upon the whole the best practical mode of supplying that form of currency to the community.

CHECKS AND MONEY.

Representative BLAND. Do I understand you to say that checks answer all purposes of money?

Mr. TAUSSIG. Yes.

Representative BLAND. Where I draw that money out by check?

Mr. TAUSSIG. Yes. We know that of the volume of checks drawn in the United States not 5 per cent. call for cash, and the payments are made without any actual transmission of cash whatever.

Representative BLAND. That may be in the commercial centers, but throughout the country the checks afford convenience to a man to draw out money when he wants it. Unless you have money in bank you do not draw a check.

Mr. TAUSSIG. If the bank had to keep the money on hand to pay off all outstanding checks against it the banking business would cease.

Representative BLAND. Your idea of money is that owners of gold shall furnish it to people in the way of checks, instead of the Government furnishing it.

Mr. TAUSSIG. My idea is that they will do it.

Representative BLAND. That is, the capitalists of the country, enabled to own all the gold, must dominate the currency.

Mr. TAUSSIG. I do not think it is a question of domination.

Representative BLAND. It is a question of whether these owners of gold shall supply the money or whether the Government shall supply it.

Mr. TAUSSIG. I think that the Government can coin all the money, gold and silver, that it pleases and the people will not use it.

Representative BLAND. Do you suppose the intelligent people of this country will submit to a system of finance that will enable a few controllers of gold to dominate their currency?

Mr. TAUSSIG. I do not suppose that. I do not think that they do dominate.

Representative BLAND. That is your idea, that the owners of gold must have the credit and supply all the checks.

Mr. TAUSSIG. The persons who borrow use the checks.

Representative WALKER. What percentage of checks drawn in the country, have you an idea, is paid over the bank counter?

Mr. TAUSSIG. In New York less than 5 per cent. In places like Worcester it would amount to about 15 per cent. Taking the country as a whole, 5 per cent.

Representative WALKER. Is it a fact that there is so large a percentage as 5 per cent. paid over the counter in New York?

Mr. TAUSSIG. It is less than 5 per cent. I do not remember the exact figures, but the Comptroller of Currency can furnish them.

Representative WALKER. Do you think the banks of the country pay over the counter 5 per cent. of the checks drawn upon them in currency?

Mr. TAUSSIG. I do not know what the percentages may be.

Representative WALKER. It is exceedingly small.

Mr. TAUSSIG. It is very small.

Representative CARTER. I understand that you say the business of the country and its foreign exchange as well, is taken care of by two mediums of exchange, one composed of the currency of the country and its coin; the other, of an improvised circulating medium known as bank drafts and checks and bills of exchange. Will you kindly state if you can, approximately, the proportions of the two means of protecting business?

Mr. TAUSSIG. That is a thing very difficult to ascertain. I think one can make a sort of guess at it in this way: Last year there were sixty thousand millions of transactions through the clearing house. That means two hundred millions a day. That represents only the check transactions that passed through the clearing house.

Representative CARTER. In large cities?

Mr. TAUSSIG. In large cities. There are banks scattered through the country like Salem and Lynn in Massachusetts, and St. Joseph in Missouri, and places like Birmingham in Alabama, where they have banks and where a large proportion of the business is in checks, and in which the greater part is not settled in cash, but simply swept off by one process, and payments effected by transfers upon the books of the banks, and therefore the 60,000 millions of business carried on by checks through the clearing house does not represent all the transactions of that sort carried on in the country. That means for every man, woman, and child in the country about \$3, or a little more than \$3 a day every day.

Now, consider the probable amount of transactions in half dollars and \$2 and \$5 per day for every man, woman, and child in the country, and they are liable to use for every man, woman, and child in the country \$3 or \$3.50 a day. We have calculations of the earnings of every man,

woman, and child in the country, and it is estimated at 50 cents for each one. That is an approximation of course.

Representative CARTER. Could you state approximately your opinion as to the percentage of the transactions *in toto*?

Mr. TAUSSIG. That would be a mere guess and I should not want to make it. I can only say that I have no doubt the transactions in credit are largely preponderating.

Representative CARTER. Assuming, then, that the amount of business transacted by the exchange of actual cash is 8 per cent., the gist of your argument, I understand to be, that if the currency should be doubled the increase of volume on the basis proposed by this bill would, by destroying confidence, to some extent cause a shrinkage in the volume transacted in these bank bills and exchange notes and other means in excess of the amount of increase of actual coin?

Mr. TAUSSIG. I have no doubt that would be the first effect. I do not believe you can keep in circulation additional money of the bank note and coin sort, just as during 1885-'86, when there was a general period of depression and shrinkage of credit currency; the other notes would float into the Treasury. You can not keep more dimes and quarters in circulation than a certain number beyond a certain range of prices when that given range of prices is affected by another factor.

Representative BARTON. A short time ago there was a great monetary stringency in New York. What was the cause of that shrinkage?

Mr. TAUSSIG. The cause there was due to the large volume of American securities that was thrown upon the American market by foreign holders on account of the difficulties of the banking house of Baring Brothers.

Representative BARTINE. It manifested itself in a scarcity of money, did it not?

Mr. TAUSSIG. I should say a stringency temporarily caused by these securities suddenly thrown on the market rather than a direct scarcity of money.

Representative BARTINE. What is the difference between that and the scarcity of money?

Mr. TAUSSIG. The scarcity of money means the scarcity of the commodity for buying. The trouble in New York was not that there was not money enough to carry on business, but rather a limit of funds for people who wanted to borrow.

Representative BARTINE. Now, the point I am trying to get at is this: While they were complaining of the scarcity of money did they not have all the banking facilities that they formerly enjoyed?

Mr. TAUSSIG. Yes.

Representative BARTINE. Then it certainly follows that banking facility is not a perfect substitute for money.

Mr. TAUSSIG. Not at all. It depends upon the spirit of confidence and trust in the community.

Representative BARTINE. And the more money there is back of these securities the more confidence there is?

Mr. TAUSSIG. Not necessarily.

SUPPLEMENTARY STATEMENT OF H. L. HIGGINSON.

HOARDING OF CAPITAL.

Mr. HIGGINSON. You have heard from these gentlemen, who are experts, the various opinions upon all these matters. I want to tell you one thing about a friend, an old gentleman 75 years old, who has led a very excellent life as a citizen and as a man, who has charge of an enormous quantity of securities belonging to people in our town. He keeps a safety vault. The other day he came into town and came to me very much worried. I said, "What is the matter?" He said "Here is this free-coinage bill." He has a savings bank. He said "Here I have this million of deposits. I am responsible for it and I do not know what to do." I said "Invest it in the best securities you can find, a lot of Government bonds, which are safe, of course. What is the trouble?" Why, he said, "I do not know that I can get my cash when I want it if these people want their money. I paid the interest for the last year and I have not any return for it." I said, "What will you do?" He said, "I will put the money in my box, put the gold and nothing else but gold, in my box, in order to be able to pay these people if they want their money."

Representative WALKER. Pay the wards?

Mr. HIGGINSON. His depositors. They may want it any day. He wants the gold dollars to pay these people, as he thinks himself bound to pay, and he does not want to blot his name with anything.

You are trying to give the country more money. Money is either capital or currency or both, and currency also includes credit. With good credit one dollar will do a great deal of work. Without it, very little. Credit comes of confidence born of a long course of honorable dealing and the confidence based on the use of well known tools—that is, the money in general use the world throughout. The present legislation has greatly restricted the supply of capital, credit, and currency by causing people to hoard the latter. We have in use a first-rate tool and are asked to try another, less well known and less trusted by the world. Why? Thus far the proposed legislation has failed in its object, has accomplished the very opposite of what is desired, and Heaven only knows how much disaster it may bring. We have now a very proud and a very paying position in the world by our high credit. Credit is very easily lost. Let us guard it zealously.

STATEMENT OF GEORGE RUTLEDGE GIBSON, OF NEW YORK.

MONEY NECESSARY FOR CREDIT.

Mr. Chairman and gentlemen of the committee: The time allowed me is so brief that it does not afford me time to discuss this question. This discussion seems to have drifted off on the question of money in the abstract, and possibly in the concrete, rather than anything relating solely to silver. On that question I will say a few words:

It is said here that the volume of currency cuts a very unimportant figure in prices and bank credit, and all machinery which is an economy of money itself. I would like however, to recall to the mind of the committee that upon the discovery of gold in California and Australia, the vast sum of money estimated by Dechallen that would come out in

10 years amounted to more than the total gold production in 360 years following the discovery of this country by Columbus. It shows that gold was not only at that period an unreliable standard, according to the opinions of men of that day as well as in the opinions of men of to-day, but also shows that the amount of gold in circulation throughout the world not only has an effect upon the industries of the world, but upon prices. It is not necessary to enlarge upon this point, because it is a matter of record. The effect, was of course, as we all know, to stimulate the industries and enterprises of Great Britain which was then the sole gold using country.

There probably never was a decade in the history of Great Britain when it accomplished so much in the line of material progress as it did under the stimulating influence of the gold supply from Australia and California.

Now coming to the present time we see that the banks of New York City were restricted in the credits which they gave to persons like myself by the reduced volume of money in their vaults. There were continuous demands in order to move the vast crops and conduct the enormous transaction of business in this country, and the consequence was that in order to obtain the money to meet those demands from the interior, the bankers of New York were compelled to call upon their borrowers, especially those who had demanded money from them, that they might obtain the necessary funds. If I went into the banks there when they were short of cash—when their vaults had been depleted of cash—and said to the president of the bank “I wish to borrow \$100,000 because of the feeling of uncertainty existing, not thinking that I shall have occasion to use it, but I have security and I want to borrow \$100,000 to be placed to my credit should I find occasion to use it, so that I may be prepared to use it,” his reply would be “I have loaned above the legal limits, and I can not accommodate you.” And I said “I do not want the money, but only wish it to be placed to my credit,” and he said “I can not loan you this unless I call in \$25,000 from some other borrower, for prudence and the banking laws require that I shall have as a reserve 25 per cent of all my obligations.” So you see that the volume of money held by the banks of New York cuts a most important figure in the credits of the country.

NO FLOOD OF SILVER.

Returning to the question more directly under discussion here than money itself. Take the question of silver. I understand that it is the contention of the opponents of free coinage (and I confess that until recently I thought as these other gentlemen here think to-day, but am a convert to the opposite view for the first time in my life), the contention is that under free coinage the amount of silver that will find its way to this country will be so enormous as to inundate us and cause great financial distress and I suppose, as some of them say, cause contraction at the moment.

I was in Europe this summer, and visited London, Paris, and Berlin. I think I had good facilities for finding out the facts relating to silver bullion in the markets of those cities. Shortly before leaving London I spent a little time with Sir Charles Freemantle, of the Royal mint, and I asked him if at that time (the latter part of July) any quantity of silver bullion was on the market of London, and he informed me that of late years there had not been silver on that market in any quantity; that it

came by every steamer, and went away by every steamer, London being a distributing point rather than a storing place.

I inquired in Berlin at the royal mint if there were any bullion on the market there, and they said they knew of none, and in France there was none. I state that it is safe to say from inquiry that there exists in Europe no stock of silver bullion in any quantity.

The CHAIRMAN. When were these inquiries made by you?

Mr. GIBSON. In July last. Now we come to the question of coin. The Bank of France and the Bank of Germany, the Bank of Austria-Hungary, and the Bank of Belgium have more silver to-day, or, at least, as much as they had 1 year ago, and less gold than 1 year ago. That shows that there has been no hoarding of gold by these great banks, and no loss of silver, and during that period they had an opportunity to sell their silver at a price ranging on an advancing scale from 5 to 10 and 15 per cent., and at 30 per cent. advance in price of silver bullion in the markets of the world. Those banks did not flood us with such vast quantities of silver, and did not exercise their option and the advantage they then possessed in the markets of the world. They did not have the silver, and the figures will show to-day that they had none.

Representative TAYLOR. Do you know where the three millions of silver bullion that came here in October came from?

Mr. GIBSON. It came from Europe.

Representative TAYLOR. I thought you said none was there?

Mr. GIBSON. Very little, nominal stock.

Representative TAYLOR. Where did this come from?

Mr. GIBSON. The receipts were chiefly from London and Liverpool.

Representative BARTINE. It had to first come from somewhere else to London, did it not?

Mr. GIBSON. We shipped \$300,000 of silver to London in one day.

(Mr. Gibson's time expired and he was allowed 5 minutes to make any further statements he desired to submit.)

Mr. GIBSON. If I can catch the broken thread in regard to the question of the sales in Europe of silver, I will proceed upon that line of thought. If the statistics figure in it (and although I am a member of the Statistical Society of London, I believe statistics should be treated like poison—handled carefully), the statistics in this case indicate that the banks of Europe have not lost silver. The historical fact is that a big rise took place in silver, and no one questions but that that rise took place on account of legislation by the United States. If these banks did not sell silver when the price was \$1.15, and remaining some time in the vicinity of \$1.15, if the market for silver did not bring to the surface in the bullion markets of the world any bullion, I say there is not any considerable amount of bullion existing, and the policy of the banks is not to sell the coin.

We see perfectly well in other departments of life, and apply it to this case, that we sell things that show a tendency to decline, and not those that advance. We cling to land, for instance, in Washington, where it is rising in price, and sell land in San Diego, where it is falling in price.

The Bank of France has a large supply of silver. We do not know how much bullion, but we have reason to assume very little. The Bank of France supplies money to a people that use very little credit, as has been said here. In a country where small proprietorships predominate; in a country of small shops and small transactions, these transactions can not be settled in gold and must be settled in small coin. They can not be settled by credit instrumentalities. It is absolutely impos-

sible, whatever may be said of the legal value of silver in this country, for this silver coin in France to be withheld from the people, put in the pot, and melted for shipment to the United States.

I went with the Hon. John J. Knox and through the mint over there. The only thing they were doing recently was the coinage of copper pieces for the use of the South African trade. They were making 100,000 pfennig pieces a day. Those are worth less than a quarter of a cent each, and I asked what was done with these infinitesimal coins, as I had never encountered anything that small. The reply was that the demand was continuous, and of course the pieces never came back.

In a country like that, where the transactions are so small, I say that it is impossible for them to part with their money. They must first accommodate themselves. The increase with France and Germany in population and commercial transactions is almost stationary. As far as the domestic markets are concerned, they do not demand an increased coinage, as do the growing population and the expanding commerce of this country. While the states of the Latin Union did suspend the coinage of silver, it was because they did not feel strong enough to stand up against a flood of silver from Germany, and Colorado, and the Comstock, and did not have the demand for it that we have.

Therefore, in view of the constantly increasing demand for silver in this country we are, to my mind, very much more powerful than all the cities of the Latin Union, of which France is the only country in this respect of any consequence. I believe that this country is powerful enough to control the price of silver and settle this question.

APPREHENSIONS OF RECENT PANIC.

Representative BARTINE. State who you are and where you live, and what your business is.

Mr. GIBSON. I live in New York City.

Representative BARTINE. Do you own any silver mines?

Mr. GIBSON. No, sir; I have no interest in silver, or no interest in the question, only such as you gentlemen have. I am fond of politico-financial questions. My associates and others whom I meet in Wall street differ with me. No one is more timid as to finances than myself. When I returned from Europe last fall I took the position that we would have before long a severe time in New York and Europe, and I took the position without having reference to the silver question. Two facts were standing out prominently in Europe when I was there, and stood out before I went there. The first was the engagement of British and other foreign capital in enterprises in the Argentine Republic and, to a limited extent, in Brazil; and in view of the then existing condition of those countries, there was threatened disaster to the holders of their securities.

Second, the conversion of cash into joint stock companies in England, which had been going on for several years, to an extent that Gerner & Company went when they failed in 1866. This joint stock company's operations were conducted on an inflated basis. The original owners had made a profit in the transactions, and this encouraged people to subscribe beyond their means; and to any man visiting Europe and finding those conditions, it suggested to his mind a prospective crisis aside from any reference to the silver question.

TELEGRAPHIC STATEMENT OF E. R. HOLDEN.

GOLD IN SILVER ORE.

A telegram was presented to the committee which reads as follows:

NEW YORK, *January 28.*

T. F. DAWSON,
United States Senate:

To the House Committee on Coinage Weights and Measures: Gentlemen, 50 per cent. of the gold produced in the United States is found in silver ore. Are the gentlemen of Boston aware of this fact? They are not. If they were they would not attempt to interfere with the industry of silver mining. If free coinage is defeated it will seriously injure the silver-mining industry and consequently reduce the supply of gold produced in the United States. Whereas, on the other hand, free coinage of silver will stimulate mining generally and increase the supply of gold, if this condition obtains will gold be at a premium? I defy the Boston gold advocates to successfully maintain such a position.

E. R. HOLDEN.

The committee adjourned to meet again to-morrow morning at half past 10 o'clock.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Friday, January 30, 1891.

The committee met pursuant to adjournment, at 10:30 a. m., Hon. Charles P. Wickham in the chair. * * *

STATEMENT OF N. H. DUNNING.

Representative BLAND. Mr. N. H. Dunning wishes to present some resolutions to the committee.

The CHAIRMAN. How long a time would you wish, Mr. Dunning?

Mr. DUNNING. It would only take me a few minutes. I simply want to present for the consideration of this committee the demand of the late conference here in this city of the labor organizations of this country, the Knights of Labor, the National Citizens' Alliance, the Nation Colored Alliance, and National Farmers' Alliance, comprising probably about 4,000,000 voters, who ask for the free coinage of silver. That is all I have to say. The memorial is as follows:

Memorial of labor confederation.

Washington, D. C. January 22, 1891.

In pursuance of a basis for a confederation between the Farmers' Alliance and Industrial Union, National Alliance, Knights of Labor, and the Farmers' Mutual Association, agreed upon at Ocala, and approved by the supreme council of the Farmers' Alliance and Industrial Union, and the Colored National Farmers' Alliance and an executive committee from the Farmers' Mutual Benefit Association and the Knights of Labor, constituting also an executive board to represent each individual organization above specified of five members each, a call was made for each executive board to meet in Washington City on the 22d day of January, 1891. The following representatives assembled in the parlor of the Kenmore Hotel: L. F. Livingston, of Georgia, and Ben Terrell, of Texas, for the Farmers Alliance and Industrial Union; T. V. Powderly, John W. Hayes, and A. W. Wright for the Knights of Labor; R. M. Humphrey, of Texas, and J. J. Rogers, of North Carolina, for the Colored National Farmers' Alliance; Ralph Beaumont and L. P. Wild, of Washington, D. C., for the Citizens' Alliance. A temporary organization was had by electing Ben Terrell chairman and L. P. Gantt, of Georgia, secretary. Messrs. H. C. Brown, of Georgia; C. W. Macune, of Washington; L. P. Gantt, Hons. T. E. Winn and R. M. Everett, of Georgia, were admitted the privilege of the floor.

On motion a confederation was agreed upon to be known as "The Confederation of Industrial Organizations," upon the basis agreed upon at Ocala, to wit:

- (1) Each organization shall be represented by a committee of five.
- (2) Each committee of five shall have the number of votes corresponding with the membership in its organization.
- (3) The policy and measures of the confederation shall be based upon the St. Louis and Ocala platform.
- (4) Each shall stand pledged to assist when possible in all local efforts to better the condition of our people.
- (5) National delegates or correspondents shall never be denied the one by the other so long as the confederation exists.
- (6) The joint committee on confederation shall have the power by a majority vote to admit other organizations with similar objects upon application.
- (7) When plans are agreed upon by the joint committee on confederation for mutual coöperation, such organization shall be bound to support such plans fully and cheerfully.
- (8) Expenses accruing on account of the joint committee shall be defrayed by the respective organizations represented.
- (9) The joint committee on confederation shall have power to adopt such by-laws for the government of the same as they shall deem best.

A committee to propose business and demands for the confederation was appointed, consisting of L. F. Livingston, of Georgia; A. W. Wright, of Pennsylvania; R. M. Humphrey, of Texas; and L. P. Wild, of the District of Columbia.

On motion the convention adjourned to meet at 10 a. m. tomorrow.

JANUARY 23, 1891.

Convention called to order, Ben Terrell in the chair, and R. F. Rogers appointed to act as secretary. The committee on order of business, through the chairman, L. F. Livingston, reported a series of demands for adoption, which were as follows:

"1. We demand the abolition of national banks as banks of issue, and as a substitute for national bank notes we demand that legal-tender treasury notes be issued in sufficient volume to transact the business of the country without damage or special advantage to any class or calling, such notes to be legal tender in payment of all debts, public and private, and such notes when demanded by the people shall be loaned to them at not more than 2 per cent per annum upon non-perishable products as indicated in the subtreasury plan, and also upon real estate, with proper limitation upon the quantity of land and amount of money.

"2. We demand a free and unlimited coinage of silver.

"3. We demand the passage of laws prohibiting alien ownership of land, and that Congress take prompt action to devise some plan to obtain all lands now owned by aliens and foreign syndicates, and that all lands held by railroads and other corporations in excess of such as is actually used and needed by them be reclaimed by the Government and held for actual settlers only.

"4. Believing in the doctrine of equal rights to all and special privilege to none, we demand that taxation—national, State, or municipal—shall not be used to build up one interest or class at the expense of another.

"5. We demand that all revenues, national, State, or county, shall be limited to the necessary expenses of the Government, economically and honestly administered.

"6. We demand a just and equitable system of graduated tax on incomes.

"7. We demand the most rigid honesty and just State and national control and supervision of the means of public communication and transportation, and if this control and supervision does not remove the abuses now existing, we demand the Government ownership of such means of communication and transportation.

"8. We demand that the Congress of the United States submit an amendment to the Constitution providing for the election of the United States Senators by the direct vote of the people of each State; also the President and Vice President by a popular vote.

"9. *Resolved*, That this confederation of industrial organizations demand that in each State a system shall be provided and faithfully executed that will insure an honest and accurate registration of all voters, a free, fair, secret and official ballot, and an honest public count; and we demand that each State legislature shall make it a felony for any improper interference with the exercise of the registration, ballot, or count.

An election was held for permanent officers, with the following result:

Ben Terrell president, and J. W. Hayes secretary and treasurer.

The demands as reported were unanimously adopted.

Col. L. L. Polk, of North Carolina, appeared upon the floor and was accorded the privileges of the same. A committee on by-laws was appointed, consisting of Messrs. Terrell, Wright, and Rogers, to report at to-morrow's session.

On motion the president was authorized to receive applications from other industrial organizations and submit the same to the members of the organization and proclaim the result.

Convention adjourned until 10 a. m. to-morrow.

January 24, 1891.

Convention called to order by the chairman, Ben Terrell. An election of an executive board was ordered, to consist of the president of this confederation and the chairman of the executive board of each organization composing this confederation, with the following result: Ben Terrell, C. W. Macune, T. V. Powderly, R. M. Humphrey, and Ralph Beaumont.

On motion, this executive board shall have plenary powers when the confederation is not in session, and to report their acts and doings to the annual session of the confederation; with power also to appoint such committeemen and helps in each State as they may deem best to promote the upbuilding of the confederation. Adopted.

A resolution was adopted requiring the president to invite delegates from every industrial organization in the country to meet with this body at the next regular meeting in 1892.

R. M. Humphrey was elected vice president.

The committee on by-laws made their report, which was adopted.

February 22, 1892, was fixed as the time for the next meeting, and the place left to the executive board, to be published 6 months previous to the annual meeting.

On motion, the officers of this confederation were requested to do all in their power to disseminate the demands of this confederation looking to the education of the masses to the necessity of enforcing the same. Adopted.

The convention then adjourned to January 22, 1892.

SUPPLEMENTAL STATEMENT OF EDWARD ATKINSON.

Representative WILLIAMS. I will suggest that General Warner is here and would like a few minutes of the committee's time, as he can not be here any other time than to-day.

Representative WALKER. I move as a substitute for that motion that Mr. Atkinson be heard.

Representative TRACY. I was talking to Mr. Atkinson while Mr. Leech was making his statement, and there was one question which Mr. Bland asked which I would like Mr. Atkinson to answer.

EFFECT OF FREE COINAGE UPON PRICES.

Mr. ATKINSON. That was, I think, in regard to the effect of free coinage upon prices; substantially whether prices would change. Mr. Bland seemed to have the idea that in spite of the substitution of silver for gold, prices might remain the same or might uniformly rise. He is mistaken; prices might rise, but wages would fall, owing to the shock to credit.

Representative WALKER. I wish to say right here that I think that these hearings are to get information, and I object to Mr. Atkinson's going on under the impression that he is not to have an opportunity to state his views, or rather to only answer questions of yesterday, but that he shall take his own time to make his answers.

Mr. ATKINSON. I have nothing further to submit, I think, except in answer to questions which may be propounded to me. Assuming that the question of Mr. Bland was put to me which was put to the Director of the Mint in respect to the effect of free coinage upon prices, I beg to say that in my judgment the effect of free coinage would be to restrict credit and to deprive farmers, manufacturers, miners, and others of the use of capital customarily advanced on credit, by substituting a variable kind of money subject to fluctuation, for a true standard. Now, inasmuch as credit is more effective than the mere circulation of actual

money by twenty to thirty or fifty times, and since credit depends absolutely upon the *quality* of money and not upon the *quantity*, you would stop investments as you have stopped investments. You would stop loans or advances as you have already stopped them. You would therefore diminish the number of workmen employed; but by promoting scarcity you might advance the prices of goods while you would reduce the price of labor that you would reduce wages.

Representative BARTINE. You say the effect of free coinage will be to make a variable money out of silver.

Mr. ATKINSON. Yes, sir.

Representative BARTINE. Do you think silver is more variable than gold?

Mr. ATKINSON. I do.

Representative BARTINE. Why?

GOLD AN INTERNATIONAL STANDARD.

Mr. ATKINSON. Because it is so the world over. By natural selection gold has become the standard of the commercial world; you can not alter it. There is no legal tender in international commerce which could affect or control international commerce. All our foreign trade is therefore based on a gold standard because it is the safe standard. You want to know why or how that affects us; it is because the price of every important article that is made or raised in this country depends upon what the excess will bring in gold for export. You can not displace the gold standard except as to a domestic transaction and all domestic commerce is tied to the gold standard by the force of the surplus, especially of grain, cotton, and tobacco.

Representative BARTINE. You understand or do you admit that the legislation of 1873 had anything whatever to do with the establishment of the gold standard.

Mr. ATKINSON. Do you mean the legislation of 1873 of this country merely—

Representative BARTINE. Not in this country alone, I mean of the world, you say it is the standard of the world.

Mr. ATKINSON. I do not think the legislation of 1873 affected the international commerce of the world one particle.

Representative BARTINE. Do you think it had any effect upon establishing the gold standard?

Mr. ATKINSON. No, sir; gold was established as a standard before.

Representative BARTINE. Then how do you account for the fact that the price of gold and silver relative to each other began to change after the legislation of 1873.

Mr. ATKINSON. The free coinage of silver on the continent of Europe had created a certain use for silver and had kept it in demand. The acts of 1873 of Germany altered the conditions of that demand in some measure.

Representative BARTINE. Does not the free coinage of gold create a use for that?

Mr. ATKINSON. Yes; but there then was such an abundant supply and there is such an abundance of gold to-day, that according to the rule which is laid down by many economists when a substance which is better fitted for a particular purpose becomes more abundant than it had been before, it may displace the substance which is less abundant and the price of that will go down. As gold displaced silver the value of silver relative to gold went down; the better displaced the poorer.

Representative BARTINE. Do you take the ground that there is an abundance of gold?

Mr. ATKINSON. Certainly. There is an abundance of gold and there has been ever since the discovery of gold in California and Australia. A greater supply than there ever was before.

Representative BARTINE. How does the stock of gold compare now with the stock of 1873?

Mr. ATKINSON. I have not the figures with me but you will find them in the documents which I propose to lay before the committee. There has never been, I think, so much tangible and visible gold for commercial use as there is to-day.

Representative BARTINE. Do you think that agrees with Professor Sauerbeck's statement before the royal commission?

Mr. ATKINSON. You can not expect me to keep all such statistics in my mind. I do not recall Sauerbeck's, but all of Professor Soetbeer's statements and figures known as the materialen are given in the appendix to my report on bimetallism in Europe, which I made 4 years ago. Of course you can get this report from the State Department. Dr. Soetbeer is admittedly the highest authority.

Representative BARTINE. You say that silver is more variable than gold. How do you determine whether silver or gold or anything else is variable?

Mr. ATKINSON. There are a great many ways of determining it. There are a very large number of standard lists of prices. The London Economist's tables, on the plan of 22 articles taken as an index, is one; the Hamburg list of prices is another; the table given by Soetbeer is another, and so on. There are a great many of these tables all leading to one conclusion.

Representative BARTINE. Let me ask you, right in that connection; does not the Economist table and do not the Hamburg list of prices and Professor Soetbeer's figures go to show that the purchasing power of silver is the same to-day as in 1873?

Mr. ATKINSON. It may be to some extent so with respect to commodities, but it is not so in respect to wages. Wages, or the price of labor, have distinctly risen on a gold basis while prices of commodities have gone down, although some prices have risen. Silver and prices have varied in ratio to gold and to each other while wages in gold have steadily risen.

Representative BARTINE. Which do you think is the safest to figure on, commodities or labor?

Mr. ATKINSON. Neither or both.

Representative BARTINE. But which is the safer?

Mr. ATKINSON. The question conveys no meaning to my mind.

Representative BARTINE. What would you take as a standard of comparison?

Mr. ATKINSON. Gold as a standard by price, because it has been by natural selection made the standard of the world's commerce.

Representative BARTINE. It has been made so by whom?

Mr. ATKINSON. By the consensus of all commercial nations without regard to laws of legal tender, which are merely of local application. Until you separate the functions of money and the effect of a standard of value from acts of local legal tender, you will not attain any clear ideas on this subject.

Representative BARTINE. Is not law simply the combined action of many minds?

Mr. ATKINSON. There is no law of international legal tender.

Representative BARTINE. Does not the money of the world all enter into the business of the world?

Mr. ATKINSON. All international commerce is practically settled by the standard of the *pound sterling*, although there is no coin of that name.

Representative BARTINE. There was originally a pound sterling of silver.

Mr. ATKINSON. Yes; and it was debased by an act of legal tender which originated in despotism, forcing men to take a less weight than the contract gave them, as this act of the free coinage of silver may force men to take what they would not take except forced to by your proposed act. It is that fact that impairs credit.

Representative BARTINE. Will you be kind enough to explain to the committee how an ounce of gold obtained the value of £3 17s. 10½d. sterling?

Mr. ATKINSON. That is the mint value.

Representative BARTINE. Was not that a matter of law?

Mr. ATKINSON. I do not know whether it was or not.

Representative BARTINE. If you look at the statutes of Great Britain you will find it.

Mr. ATKINSON. If the gold became more valuable somewhere else it would go there from Great Britain. The statute to which you refer does not affect value. It is only a nomination.

Representative BARTINE. Let us suppose—applying suggestion made to me by my friend from Montana——

Mr. ATKINSON. Your proposition is an expression of value in a statement of value; it conveys no meaning to my mind because I think it has none.

Representative BARTINE. The reason you think gold is staple and silver is not staple is because——

Mr. ATKINSON. You will find my reasons and computations in my documentary evidence.

PURCHASING POWER OF GOLD.

Representative BARTINE. Is it not a fact that gold practically will purchase 40 per cent more commodities than 18 years ago, taking it on the average?

Mr. ATKINSON. It is a fact that gold will purchase much more of many things, but not of all, than it would from 1865 to 1879 or thereabouts, but it is not a fact that gold will purchase more commodities on the average than it did from 1845 to 1850—in many staples not so much. Gold has, I think, depreciated in some slow measure in ratio to all the necessities of life since the great addition to the volume of gold in the world, following the discoveries of gold in California and Australia.

Representative BARTINE. Do not you see that it completely explodes your theory of the invariable standard when you admit that the overproduction of gold has diminished the purchasing power of gold?

Mr. ATKINSON. I do not admit it. A slow depreciation is not expressed by the word variable.

Representative BARTINE. You have admitted it.

Mr. ATKINSON. That is your way of translating it, but that is not my way and is not what I said. Slow depreciation is *not* the same as variation or fluctuation.

Representative WILLIAMS. Do you think the standard would be the same if one-half of all the gold in the world should disappear at once?

Mr. ATKINSON. I do not conceive of an inconceivable event, therefore I do not reason on an hypothesis which can never become a fact.

Representative WILLIAMS. Gold has more than doubled by the discovery of mines.

Mr. ATKINSON. Yes, sir.

Representative WILLIAMS. Did that change the standard in any respect?

Mr. ATKINSON. It did, but by a very slow process of depreciation. In the meantime there has been an enormous change worked by inventions and discoveries in respect to the product of labor, so that the prices of all commodities have been affected by all these great changes and not simply by the slow change in the ratio of gold to these products.

Representative BARTINE. Allow me to ask you one question in that connection. Suppose every nation in Europe—probably you say you can not conceive such a thing—should demonetize gold and decline to take it any longer as a legal tender and throw it upon the market simply as a commodity.

Mr. ATKINSON. All the capitalists would then cheat all the laborers or be cheated, but it is true that I can not conceive such an event—it implies an absurdity.

Representative BARTINE. Would that have any effect upon the value of gold?

Mr. ATKINSON. Yes, sir.

Representative BARTINE. Then why do you say it can not be affected by legislation?

EFFECT OF LEGISLATION ON RATIO.

Mr. ATKINSON. The ratio of gold or silver to other things can be affected by legal-tender legislation in each country separately, but not in the international trade of the world. Trade might be no longer on a gold basis in a particular country, but international commerce would remain on a gold basis.

Representative BARTINE. Do you think that the volume of money in one country has any effect upon prices in another?

Mr. ATKINSON. Yes; you may restrict the transactions of this country by forcing silver into use under a legal tender, but our foreign trade would continue on a gold basis, and by export sales the prices of all staples would be established.

Representative BARTINE. How was it that the free coinage of silver in the states of the Latin Union affected the value of silver in other countries?

Mr. ATKINSON. It created a use for silver, and the production throughout the world went to meet the demand created by this special use, as the silver will now come here if you pass this act.

Representative BARTINE. You say you can not affect international trade by legislation in any particular country, and that the silver product was small when the Latin Union was coining; but whether it be one million ounces or a hundred million ounces the principle is the same. It is still affecting value by legislation.

Mr. ATKINSON. Variation may be affected by quantities in a long period.

Representative BARTINE. The variations were exceedingly slight.

Mr. ATKINSON. That depends. If you can get an agreement between nations to establish a ratio you may have less fluctuation than now.

I should like to see it tried by all, but I think we should be great fools to try it alone.

Representative BARTINE. Suppose France and the states of the Latin Union had all been one instead of five, would the effect have been the same?

Mr. ATKINSON. Yes, of course. If you can get an international legal tender and legal coinage at a fixed ratio, then it may be that you will give a more uniform use for gold and silver, and then they may bear a less variable relation to each other than now. I beg of you not to defer the opportunity for a bimetallic treaty by enforcing free coinage of dollars which are themselves out of ratio with all other kinds of silver coin.

Representative BARTINE. The point I make is this. If the five different states of the Latin Union had all been one country it would not have been international in that case, but yet you say the effect would be just the same.

Mr. ATKINSON. Not just the same.

Representative BARTINE. Why not?

Mr. ATKINSON. The effect might have been to have maintained silver more nearly at par with gold at $15\frac{1}{2}$ to 1, but Great Britain would have remained the banker of the world and made a profit out of all of us on the single gold standard as she does now.

Representative BARTINE. She did that?

Mr. ATKINSON. Yes; and she would have continued to do so——

Representative BARTINE. As long as we let her?

Mr. ATKINSON. Until we establish and adhere to the same gold standard. By adherence to the same gold standard of the commercial world we may conduct all our business on as safe basis as Great Britain.

GOLD STANDARD THE SAFE ONE.

Representative BARTINE. Do you think Great Britain transacts her business on a safer bases than France?

Mr. ATKINSON. I do.

Representative BARTINE. How does it come about that the evidence before the royal commission is to the effect that there has never been such a thing as a commercial crisis in the banks of France while the history of Great Britain is full of such crises?

Mr. ATKINSON. I will like to have you to explain that?

Representative BARTINE. Professor Fowler, who is considered a high authority, makes that statement of fact.

Mr. ATKINSON. The foreign commerce of France is limited. She has very little relation to foreign commerce, and in that way, on account of her isolation, she is not so much affected by great commercial crises. If you wish to isolate this nation from others; to shut out foreign commerce and to shut in the excess of our crops so as to reduce prices and wages alike, you can do so by the free coinage of silver—you may then have less commercial crises than now, but everybody will be poorer.

Representative BARTINE. Do you think France has shut herself out from intercourse with other nations?

Mr. ATKINSON. Yes, sir; to a very great extent. There is, for instance, no commercial treaty between this country and France, but there are a great many things which Frenchmen desire to buy of us which they are absolutely prohibited from buying because we have no commercial treaty with France. I found that out when I exported cotton fabrics to Great Britain and found them prohibited in France.

Representative BARTINE. How do you account for the fact that the Bank of France came to the assistance of the Bank of England, and the Bank of England has never had to come to the assistance of the Bank of France?

Mr. ATKINSON. I never heard of such a case before, when the Bank of France came to the assistance of the Bank of England, and I doubt if the world was ever exposed to such a calamity as the actual failure of the Barings would have been.

Representative BARTINE. Then I will state that in 1838 the Bank of France loaned the Bank of England \$12,500,000. You are aware of the fact that during the cotton famine France let England have large sums in silver to buy cotton in India.

Mr. ATKINSON. During the cotton famine I bought more East India cotton than almost anybody in the United States, and I know something about it.

Representative BARTINE. Do you think it was any injury to France to have silver in that case?

Mr. ATKINSON. No, the trade was all on a gold basis. I bought a very large amount of cotton just towards the end of the war on a gold credit in England. I then took what paper money one corporation could control, turned into gold exchange, and invested it in United States bonds in London in gold at 45. When the war ended, which I soon expected, I knew cotton would go down from 65 to 25 cents or so, and that my corporations would lose. We therefore bought India cotton on seven months credit in gold in England that cost 65 cents imported in paper; we converted it into cloth. We were caught by the fall, as we all were at the end of the war, with a large stock of goods and with a large stock of that importation of cotton at 65 cents, paper on hand. I am not sure of the 65 cents, it might have been higher, but I am sure about the 25.

Representative BARTINE. All of which does not touch the question I asked of you.

Mr. ATKINSON. Because you do not see the answer. To go on, we borrowed capital on a gold basis in England and used the money to buy United States bonds. They went up from 45 to 75, and the cotton went from 65 to 25; one hand washed the other and we were on a gold basis right off without any loss. Any man that has common sense can keep his business on a gold basis and make money out of it, but the community as a whole can not.

Representative BARTINE. The point I suggested is that at different times the Bank of France loaned the Bank of England gold.

Mr. ATKINSON. I am happy to receive the information.

Representative BARTINE. And at other times loaned their silver. She has been appealed to frequently to go to the assistance of the Bank of England, and yet you say that England is doing business on a safe basis.

Mr. ATKINSON. That is what you say.

AUXILIARY USE FOR SILVER.

Representative BARTINE. Did not you state that England was doing business upon a safer basis than France?

Mr. ATKINSON. In the long run, distinctly. There are more opportunities for commercial crisis in England on account of the magnitude of her world-wide transactions. Moreover I think England has undertaken to do its enormous business on too small a reserve.

Representative BARTINE. I quite agree with you in that.

Mr. ATKINSON. Bankers in England are now agitating that question.

Representative BARTINE. Suppose she added to her present supply of gold an equal amount of silver, would that give more reserve?

Mr. ATKINSON. I do not think silver would add to the reserve.

Representative BARTINE. Do you think the reserve of two hundred and fifty million silver in the Bank of France has anything to do with the strength of the Bank of France?

A. Not much, except at its gold value; it is a good reserve on a gold basis for the domestic trade.

Representative BARTINE. On the basis that silver be at par with gold—

Mr. ATKINSON. It helps the trade of the country. The French use a great deal more money per capita because there are no common banking facilities, and checks are unknown in the greater part of France.

Representative BARTINE. How about England?

Mr. ATKINSON. Silver serves wheelbarrow purposes more than anything else; it merely does wheelbarrow work as small change.

Representative BARTINE. Was it doing that when they sent it to India for cotton?

Mr. ATKINSON. As an exchange of a commodity needed in India for use as money there.

Representative BARTINE. Well, then, it was doing pretty effective wheelbarrow work.

Mr. ATKINSON. Yes, where people are not intelligent enough to use banks they need much coin. Nobody rests any credit on a silver basis to-day in the gold-using countries, and credit is the prime factor in trade in commercial countries.

Representative BARTINE. Now—getting back to the point from which I started—you say that silver will buy substantially the same amount of commodity now as 15 years ago, and that—

Mr. ATKINSON. I did not say so. I said merely that the price of silver has gone down with the price of commodities; some lower, some less.

Representative BARTINE. If the price of silver has gone down with the price of commodities, does it not show that the purchasing power remains the same? These commodities have fallen 30 per cent, and Professor Soerbeck states that silver has fallen 29 per cent. Will not an ounce of silver buy more than it would in 1873?

Mr. ATKINSON. An ounce of silver—

Representative BARTINE. Will exchange for an equal amount at least?

Mr. ATKINSON. Do you mean by barter? That is barter.

Representative BARTINE. That is merely technical.

Mr. ATKINSON. I beg your pardon. We buy coin when we sell goods.

FORCE OF LEGAL-TENDER LAWS.

Representative BARTINE. Is not the exchange of money for other things the same as exchange of other things for something else.

Mr. ATKINSON. If you will repeal the United States legal-tender act and let everything be barter you may coin as much silver as you like. States can all put themselves on a gold basis at once.

Representative BARTINE. Suppose you repeal the legal-tender laws entirely, whereupon gold and silver both of those metals are made commodities.

Mr. ATKINSON. That is what China has done. I think commerce would go on about as well. The force of the legal-tender act is to force

a man to take a kind of money he does not want. Bad money forced into use by any act of legal tender merely works a forced loan.

Representative BLAND. What are you going to do with the debts already contracted?

Mr. ATKINSON. They were all contracted on a gold basis, except a very few long bonds issued before 1873.

Representative BLAND. Suppose you repeal the legal-tender laws, how will you pay them?

Mr. ATKINSON. The payment of a debt does not depend on laws.

Representative BARTINE. What does it depend upon?

Mr. ATKINSON. It depends upon honesty. In this case you are proposing to force a poor dollar in place of a good one, which is dishonest.

Representative BARTINE. Does it not depend upon the existence of money? How would you pay \$100 if there were no dollars?

Mr. WALKER. A dollar of money is simply a name in bookkeeping.

Representative BARTINE. I believe you stated that there was no such thing as a pound sterling.

Mr. ATKINSON. There is no such thing.

Representative BARTINE. There is such a thing, I fancy.

Mr. ATKINSON. No, there is no article of the kind.

Representative BARTINE. Do you mean that there is no such thing as a hundred pounds sterling?

Mr. ATKINSON. A hundred pounds sterling is a definition of a certain weight of gold, nothing more. The sovereign is the only thing named in the coinage act. The pound sterling is not a coin.

Representative VAUX. A sovereign is worth more than a pound.

BIMETALLISM.

Representative BLAND. We have repealed the law to coin the gold dollar; then we have no gold dollars. Do you believe in bimetallism?

Mr. ATKINSON. Yes, sir; I believe in bimetallism, trimetallism, and quadrimetallism. We have four kinds of useful metallic money, each good in its place.

Representative BLAND. You make no answer. Do you believe in bimetallism as generally understood in regard to gold and silver?

Mr. ATKINSON. By act of Congress; that is, by act of legislation?

Representative BLAND. Do you understand what is meant by the principles of bimetallism?

Mr. ATKINSON. I believe that I have a rather confused idea in my mind on that subject; the confusion due mostly to the wants of definition on the part of the advocates of the so-called principle.

Representative BLAND. Did not you awhile ago say that an international agreement would practically keep the two metals at par, and did you mean to say that legislation can not control the value?

Mr. ATKINSON. What is par? Legislation can create use, not value.

Representative WILLIAMS. And use makes value.

Mr. ATKINSON. Yes, sir; in a certain broad way it causes something to be held in estimation or value.

Representative BLAND. Then you do not believe in bimetallism as commonly understood?—A. No, sir; not as commonly understood. I believe that the world has selected gold, and that all so-called bimetallic uses of coin will be adjusted to that single standard. Silver will continue to be used as a money metal—the more Asia, Africa, and South America are developed by railway and steamer; but the use of silver as a money metal does not imply that it shall be the standard of all that commerce.

Representative BLAND. You mean your part of the world has?

Mr. ATKINSON. I mean the whole international commerce of the world, and you can not alter it.

Representative BARTINE. That is what we are trying to do.

Representative WILLIAMS. Without any international agreement, do you believe the United States should continue to coin silver at all?

Mr. ATKINSON. In trying to alter it you have and will fail. I think you have gone too far already, and have failed.

Representative BLAND. Would you favor an international agreement by which gold and silver should be used?

Mr. ATKINSON. I should favor what is called an international treaty of legal tender at a fixed ratio, but I do not think one is likely to be negotiated.

Representative TAYLOR. You seem to be confident of keeping on a gold basis under existing circumstances. How would you keep on a gold basis after the passage of a free coinage act?

Mr. ATKINSON. My business is very peculiar, and we could easily fill all our contracts on a gold basis next week on \$550,000,000. They are contracts of indemnity against loss by fire; why not against loss by silver?

Representative TAYLOR. What is your business?

Mr. ATKINSON. I am president of one of the factory mutual insurance companies of New England—the largest one.

Representative TAYLOR. Would you lose a good deal of money?

Mr. ATKINSON. No; we have no capital to lose. We have only the amount of our annual premiums on hand, except so far as they are depleted by losses and expenses.

Representative TAYLOR. You are purely mutual?

Mr. ATKINSON. Absolutely mutual.

Representative WALKER. What is the sum insured by your company?

Mr. ATKINSON. Ninety-three million dollars. It is a contract of mutual indemnity to protect each other from losses by fire with a minimum of expenses. The premiums paid into my company each year are about \$750,000 and we insure \$93,000,000. Our business really is to prevent fire losses. We teach owners how to protect their property, and we have, therefore, reduced the losses on extra hazardous property to 10 cents on \$100 last year. This loss is distributed among ourselves. If there should be any premium on gold we should meet and pass a vote declaring that all our contracts of indemnity would be payable in gold coin or its equivalents, and we should collect our premiums in gold each year in the same way. Should we not be fools if we did not do so? In this respect we are exceptional. The ordinary work of the producer, the dealer and trader can not be so made safe in the same way. You can make a forced loan on the general business of the country for the support of the silver mines, by an act of legal tender and by the free coinage of silver now. If you choose to do so, few can avoid it. You will impair credit and restrict the business of the country and therefore you will lower wages that much. They are already lowered, I think, in fear that this free coinage act will pass. Construction is very small in proportion for the coming spring.

Representative CARTER. Am I correct in drawing the inference from your statement that you are in favor of a gold standard because it has been accepted as a stable basis by the consensus of opinion of all the highly enlightened nations of the world?

Mr. ATKINSON. I simply stated that I accepted the gold standard as a fact, and that you can not get over it. I neither favor nor disfavor it. I accept it and adjust all transactions to it.

Representative CARTER. You have made the statement that the stock of gold now existing is greater than at any previous time in the history of the world.

Mr. ATKINSON. I think so, that the actual stock is greater. The document will give the facts.

COIN AND COMMERCE.

Representative CARTER. I will ask as a fact if it is not proved that the proportion of gold to the volume of commercial transaction has been decreased since 1873?

Mr. ATKINSON. Unquestionably; all progress in commercial transactions tends to the substitution of instruments of credit; for actual coin; that is an element of intelligent progress, it rests on credit, don't impair it.

Representative CARTER. Permit me to ask whether if this disproportion continues to grow how long we can continue on a gold basis.

Mr. ATKINSON. For all time, there seems to be always gold enough, and I opine there always will be.

Representative CARTER. Then you are assuming as a fact that the proportion of money metal or medium of exchange may be infinitesimally connected with the volume of business to be transacted.

Mr. ATKINSON. Not infinitesimally, but it bears a lessening ratio to the ratio of production and of trade year by year. This change is precisely like the substitution of a railroad for a wagon. Your wheat lost its entire value by transportation 150 or 200 miles by wagon not long ago. I compare the actual money to the wagon in its work. Now, by substituting the railway for the wagon by analogy I compare that with the substitution of credit for cash. By the railway you extend the circulation of wheat all around the world and by credit you extend the circulation of commodities throughout the world; keeping your coin in reserve to support your credit. As long as you keep the quality of your coin so that the world believes in it, so long will you keep your credit throughout the world, and not otherwise.

Representative WILLIAMS. Do you mean to say that credit does not depend upon quantity?

Mr. ATKINSON. Very little. The quantitative theory, except for a very long period, has little effect. It is credit we mainly depend upon, and not the actual money.

By credit we direct, move and apply capital. What you want is the actual capital on the basis of a true standard. Mr. Bartine will pardon me if he will allow me to say that he entirely confuses capital with currency and currency with capital, and that is what misleads him. You probably have not been engaged in large transactions with international commerce, and are therefore unfamiliar with the basis of these transactions.

Mr. BARTINE. I am much obliged to you, sir.

Representative WILLIAMS. In your judgment, what effect has the silver coined since 1878 had upon our currency; in what way has it affected prices in the United States?

Mr. ATKINSON. Much of the silver represented by certificates has found a useful place; they took the place of the national-bank notes as they were withdrawn in doing what I call the wheelbarrow work.

Representative BARTINE. It must have had some effect on prices.

Mr. ATKINSON. I think little, if any. You will find all the facts about prices in the documents which I will send you. Now, to refer to this circulation of coin or money which does the wheelbarrow work. It

sometimes gets out of its place, that is, out of the bank reserve, in too great a measure; this occurs for want of more banking facilities. That was the cause of the recent pinch in the money market. That pinch was not due to any scarcity of actual money, but to the scarcity of lawful money in the right place—that is, in the bank reserve. It was the withdrawal of the lawful money from the bank reserve which brought them down to the limit of 25 per cent; that is, the reserve required by law in cities, which banks are compelled to keep. Then they had to restrict their loans; that is, to refuse credit, and the moment they began to restrict credit, outstanding obligations had to be settled as well as they could. Presently the lawful money flowed back, and now, although we have no more actual money in circulation than there was in the pinch six weeks ago, there is plenty of it.

Representative BARTINE. You do not take the position that a bank with \$100,000 reserve coin, either gold or silver, can maintain a credit as well as a bank with \$1,000,000 of reserve?

Mr. ATKINSON. I have not said so. The amount of reserve needed depends entirely upon the kind of business of the bank, and the condition of the bank.

Representative BARTINE. The question I want to get at is, can not a bank with \$1,000,000 of reserve extend more credit than one of \$100,000 reserve?

Mr. ATKINSON. No; the Chemical Bank of New York, that has a very small capital and very large deposits, it extends its credit to an enormous degree relative to its capital beyond any other bank in New York. It depends entirely upon the quality and kind of the business the bank does what amount of reserve it needs.

Representative BARTINE. But I mean two banks doing the same kind of business, one bank has \$1,000,000 in reserve, can it not do a larger business and extend more credit than if it had \$100,000?

Mr. ATKINSON. It may and it may not. The trust companies, as now organized, are practically doing a banking business without any fixed reserve.

Representative BARTINE. Well, you have not——

Mr. ATKINSON. You have not allowed me to answer your question. The trust company as now organized is equivalent to a bank.

Representative WALKER. What trust company?

Mr. ATKINSON. The United Trust Company, Mr. Olcott's trust company, the New England trust companies, and a great many others are doing an enormous banking business without any legal reserve and without legal circulation; they do not keep any coin on hand except for small change. It depends upon the nature of the business how much reserve is wanted. Some banks with \$100,000 in reserve in some kinds of business can extend a credit of tenfold what a bank of \$1,000,000 reserve would do in another condition.

Representative BARTINE. I am speaking of banks on the same footing.

Mr. ATKINSON. On the same footing each must keep the same reserve. It depends upon the nature of the business. There is no legally specified reserve in the Bank of France and no legal limit to its reserve. It is thoroughly well managed, and has always kept in a strong position.

Representative BARTINE. Yesterday I understood from your paper that some lines of business have enormously increased, that there has been an increase in commodities, but that there has been a comparatively small increase in banking facilities.

Mr. ATKINSON. Relatively, yes; such are the facts.

Representative BARTINE. If they have not increased, should not we have money in lieu thereof?

Mr. ATKINSON. There you again confuse money with capital and credit. No; we might not have needed any more actual money. If you increase the banking facilities and extend the banks in the country you may require a less proportion of actual money in circulation than now.

Representative BARTINE. But they have not increased?

Mr. ATKINSON. And that is one reason why there is sometimes an apparent scarcity of actual money. Some parts of the country are like a railroad without enough cars, for want of banks.

Representative BARTINE. If we have not enough banks we must have something else then for wheelbarrows?

Mr. ATKINSON. Yes; good ones, not rickety ones. I will state that since the Senate passed the silver bill on that account large transactions that were nearly completed in Boston for the transferring of Northern and European capital to the south and west have been cut square off. Silver makes a rickety wheelbarrow when it can't be bonded to gold.

Representative WILLIAMS. The same result as in 1878?

Mr. ATKINSON. No; the Bland bill did not pass; it was the Allison bill that passed and that was carefully guarded.

Representative BLAND. Did not the same thing occur here in 1883 and 1884, when Congress undertook to refund the public debt at 3 per cent., and did not bankers come before Congress and say if we passed a bill of that sort it would create a great financial stringency; and were they not here in view of the fact that there would probably be legislation of that sort by Congress, and induce the President to veto it? And one year afterwards they were glad to get the 3 per cent bonds and would like to get 2 per cent. if they could?

Mr. ATKINSON. I dare say some people came here and stated that. Who were they and of what authority?

Representative WALKER. Do you remember the bank credit of 1885 and to-day?

Mr. ATKINSON. No, sir; not exactly.

Representative WALKER. It was about \$450,000,000 then, and it is about \$650,000,000 now.

Mr. ATKINSON. I would like to make a point which I do not think I have had a full opportunity to state. Taking Mr. Porter's figures, which I do not accept, the increase of population from 1884 to 1889 was less than 12 per cent.; according to what I believe to be the actual increase, it was 13 per cent. The increase of mileage of railroads was, I think, 28 per cent. (35,000 miles) and the increase of traffic by railroads was 55 per cent; the increase of banking facilities as far as it can be measured was only 22 per cent. Therefore you will observe the increase of banking facilities was only about one-half in the proportion of the increase of traffics of railways. The canal traffic increased, the lake traffic increased and substantially all manufactures have increased, while banking facilities did not increase in ratio in that time *i.e.* 1884 to 1889.

Consequently *something* is needed. But if you make that *something* an increase of silver money of full legal tender you will stop credit; and as credit is manifold more effective in the distribution of capital, you will get a shadow for the substance and will rue the day on which you were misled. You may lead the horse to water but you can't make him drink. You may try to deal on the basis of a coin which is in bad credit, and then you won't get the good. If you like plenty of a poor kind of money and do not want plenty of good, plenty of credit, and

plenty of capital, then impair the credit of the money by this act and you will reap just what you have planted, namely, distrust, discredit, lack of work, and lower wages—whatever the nominal prices of goods may be.

What I think the country requires are low cost, low prices, and high wages. That condition we have attained since 1879. Reverse it now and you will have high cost, higher prices, lower wages, and increasing want and discontent.

After discussion by members of the committee the committee adjourned until 10:30 Tuesday, February 3, 1891.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Wednesday, February 4, 1891.

Committee met at 11 a. m.. Present, the chairman (Mr. Wickham), and Messrs. Carter, Comstock, Bartine, Tracey, Taylor, Wilcox, Vaux Bland, and Mutchler.

Mr. WILCOX. I suppose there are gentlemen here this morning who desire to be heard. I move that we hear them now.

Mr CARTER. I would like to present a communication I received from New York this morning from William P. St. John. On yesterday I also received from him this telegram, dated New York, February 3:

Referring to my letter of yesterday, I beg to mention receiving this morning a letter from a Massachusetts bank officer, the longest in office of any in the United States, and one of the ablest, who scouts the inflow of European silver and does not fear free coinage.

Mr. Carter read the letters of Mr. St. John, as follows:

NEW YORK, *February 2, 1891.*

Hon. THOMAS H. CARTER, M. C.,
Washington, D. C.:

DEAR SIR: I telegraphed you this morning: "Referring to my yesterday's respects I beg to mention receiving this morning letter from a Massachusetts bank officer the longest in office of any in United States, and one of the ablest, who scouts all dread of Europe's silver, and does not fear free coinage." [Seventy years banking, 51 years an officer in one and the same institution.]

I do not, without permission, mention the name of this bank officer, as any notoriety might be distasteful to him; although for a good cause he is quite equal to self-sacrifice. Regarding the doctrinaire arrogance and denunciation of free coinage for silver, he writes: * * *

* * * "All this is born of that ignorance and senseless adherence to tradition inapplicable to our present financial conditions. They will tell you again and again dogmatically that free coinage will bring over here a large part of the silver in Europe, and all our gold will be stampeded under the Gresham law. But these Solomons never tell us what would be the effect on the value of the silver in the European market, of dumping, if it were possible, all the world's silver on our market. Nor do they seem to ask themselves what for are the great banking institutions abroad keeping it on hand, or if you ask them they will answer that they are keeping it only to dump it on our market, if once we adopt free coinage. Not a word do we hear that it is held as a reserve for their immense liabilities, and as such serves this purpose as well as gold.

I have always felt opposed to free coinage under present conditions, and believe that purely tentative measures thereto should be adopted, though when I hear such flimsy, unscientific talk, I am strongly provoked to wish it might come to pass immediately. I have felt too that this great country would soon adapt itself to almost any steady monetary system. It is a postulate with me that so long as our foreign trade shall be steadily favorable, there can be no danger from free coinage, but rather benefit. The interesting question with me is: how will free coinage absolute

affect our trade, favorably or the reverse? Pray tell me, would it inflate prices of all foreign merchandise and greatly increase importations? I have read carefully, * * * and think it very able and most convincing."

Referring again to my respects of yesterday, I remark again upon Europe's silver to say: As her potential money it is in circulation with gold at a valuation of \$1.3333 per ounce, as against our mint valuation of \$1.2929 per ounce if our mints are opened free.

Very truly, yours,

WM. P. ST. JOHN.

NEW YORK, *February 2, 1891.*

Hon. THOMAS H. CARTER, M. C.,
Washington, D. C.:

DEAR SIR: My profound conviction is that the early and enduring result of the adoption of the Senate free-coinage bill, now pending in your honorable committee, would be to make the United States (in particular New York City) headquarters for the commercial world's supplies of both gold and silver, with the minimum price for silver always exceeding \$1.29 per ounce.

I can not discover any warrant of facts for a suspicion that the enactment would cost us any of our gold. All example in the world's experience is satisfactory assurance to me, under our conditions, present and prospective, of the opposite effect of this enactment. All opinions ought to be deemed entitled to no weight with your committee unless supported with instance of actual facts. The most conspicuous of recent delegates to your committee in opposition to the bill is not more famous for any achievement than for the absolute failure of every one of his dreadful forebodings in antagonism to former measures involving silver money.

There is no shadow of a warrant of facts for the dread of Europe's silver to flood our reopened mints. But, if dogmatic assertion is of the least importance, I beg respectfully to array the eminent statistician, Ottomar Haupt, of Paris, France, in flat dispute of our respected director of the mint. As facts, upon which to determine between these supposed authorities, I submit the following, viz:

It is conceded that Europe's only silver is her money. Her legal-tender silver is equally her potential money, as is her gold, and upon the fixed ratio at which 359.91 grains silver is the legal tender equivalent in coin of 23.22 grains gold. Our coinage ratio appoints 371.25 grains silver for this identical unit gold. Hence, 11.34 grains additional silver is Europe's requisite with every dollar offered, of full legal-tender silver for the equivalent gold, if are mints are the selected medium of the exchange. Thus, 3.05 cents on each 100 cents, in addition to all the transportation charges from Europe here and back again, is to be the European's absolute expense of exchanging, through the medium of our reopened mints, his exactly equally potential silver money for gold. This first cost, without the transportation charges, would mean to Europeans, on the Mint Director's estimate of \$1,100,000,000 silver, their outlay of over \$33,000,000 for absolutely nothing more potential, as their money, when obtained.

But if so silly a proceeding is to be predicted for those heretofore accounted leaders in finance, then I would respectfully suggest a reminder, by ambassador from these United States, that these European bankers and merchants are annually neglecting golden opportunity to flood the mints of India with their surplus silver at a gain in the exchange (of about the equal of their loss if they select our mints), and while their recoinage at profit into rupees would enable these Europeans to discharge their annual indebtedness to India, exceeding \$80,000,000, every year.

If the present opportunity of the United States to command the situation and dictate the policy of the world as to gold and silver money is but half appreciated, your honorable committee will report the Senate bill without delay, and urge its adoption as our law.

Even assuming absurd timidities as possibly expensive, yet they have not heretofore successfully prevented legislation. If, however, they are now to govern, I respectfully beseech you abandon the commanding position of the United States among nations, so ably instanced by our lamented Secretary of the Treasury, and end suspense. Thereafter our business needs of money will from time to time adapt themselves to available supplies. Curtailment of volume of business and consequent reduction of profits will surely accomplish this effectually.

With apology for all superfluous script, I beg to remain, very respectfully, yours,
WM. P. ST. JOHN.

N. B.—Europe's great banks do not coin money. They are chartered institutions, one of whose functions is to earn money, not intentionally to lose it. Their silver and gold reserves are alike potential in fulfillment of contracts, payment of debts,

and redemption of their circulating notes. An outlay of 3.05 cents per dollar to exchange, through the medium of our mints, their \$428,000,000 silver reserves for gold equivalent, would cost them over \$13,000,000, in addition to all the costs of transportation to and from our mints.

All the foregoing is upon the Latin Union coinage ratio. The ratio of Germany (who also has no silver, but her money and a product half what Europe's arts consume) would make such an exchange for Germany's silver money still more costly.

ST. J.

STATEMENT OF FRANCIS G. NEWLANDS, OF NEVADA.

Mr. Chairman and gentlemen of the committee: In the absence of General Warner, chairman of the executive silver committee, I appear as the vice chairman of the committee to present some of our views upon the valuable statistics, which have been presented by the Director of the Mint, Mr. Leech, and which, by the way, will be of great importance on both sides in the discussion of this question. I will not pretend to enter into a discussion of monetary science. I propose simply to take a direct view of the subject, and to draw deductions from the statistics which have been presented. In the first place, let us see whether we can not come together upon certain propositions. We are all agreed that prior to 1873 both gold and silver were the acknowledged money of the world, and that in all countries either gold and silver constituted the double or bimetallic standard, or that silver constituted the only standard, with the exception of Great Britain, which country had put herself upon the monometallic gold basis in 1816.

HISTORY OF DEMONETIZATION.

We all know that after the Franco-German war in 1871-'72 Germany was engaged in unifying into one imperial form of government the various kingdoms and petty sovereignties and states into which that great country had been divided. It was concluded to retire the money that had been in existence in those various sovereignties and states, and to establish a uniform imperial currency on a monometallic gold basis. But she made the mistake that many make now, of supposing that the greatness of England, instead of being due to her wealth of coal and iron and the cheapness of her production, was due to her monetary system.

A vast tribute had just been paid by France as the penalty of the war, and so Germany, by substituting this money for the silver about to be displaced, collected together her silver coin without a monetary revolution and threw it upon the mints of the world. It is safe to say that if Germany had not been followed by some powerful nation this movement towards the monometallic gold standard would have been a failure, for, though Germany entered upon it under the most favorable auspices, as she had this large amount of gold supplied by France to take the place of silver coin in existence, yet her experience was adverse to the experiment, and Bismarck himself has so declared.

But what powerful nation joined in this movement? Did any European nation? No; the United States of America, one of the silver-producing countries of the world, not upon a specie-paying basis, but struggling toward specie resumption, was guilty of this unpardonable act of folly, and by her action drove France and the Latin Union into the movement against silver. Was it a matter of public discussion? Was it a matter of debate before the people? Was it a matter of de-

bate in Congress? Was it a matter of consideration by the President of the United States? I say no. By some means, which I will not characterize, but means subject to grave suspicions, to say the least, the coinage act of 1873, containing a great number of sections as to the government of the mints, was passed, and the silver dollar, which up to that time had been a legal tender for all debts, was eliminated.

Who knew it was to be eliminated? Can any gentleman point out to me a man in the United States who participated in the discussion of that bill, other than the honorable Senator from Ohio, who admits that he knew the silver dollar was to be thus eliminated?

Mr. TAYLOR. I think there are some.

Mr. NEWLANDS. Not one. Every distinguished man in Congress, both in the Senate and in the House, has been put upon record—Blaine, Beck, Conkling, Garfield, and others—and every one said he did not know silver was to be demonetized.

Mr. BARTINE. General Grant said the same thing.

Mr. NEWLANDS. Yes; General Grant said the same thing. Within a year after the bill was signed he wrote a letter to a friend congratulating the country upon the fact that the great yield of the silver mines of the West would aid in this great work of specie resumption, ignorant of the fact that he had signed the bill which had demonetized silver. Silver was demonetized in America without public debate and without consciousness upon the part of the nation that it was to be demonetized.

Mr. COMSTOCK. I think that is a debatable question. That discussion has gone on in and out of Congress as to whether that was done privately or not.

Mr. NEWLANDS. All I wish to say now is, and I only desire to take a short time, for I do not propose to enter into a discussion as to the motives or influences back of that legislation—

Mr. TRACY. I hope you will state that quite fully. It is very interesting to most of us.

Mr. NEWLANDS. I simply state the fact that Germany, having demonetized silver in 1871 and 1872, was first followed, not by France, not by the Latin Union, but by the United States, the greatest silver producing country in the world, a country struggling toward the resumption of specie payment, straining every nerve, and requiring every aid to accomplish it. It was done, I say, without consciousness of knowledge on the part of the people of the United States, and I defy a successful contradiction of the statement.

What is the result? If the United States had not demonetized silver the large product from our mines would have been absorbed here; but as it was our country was denied the use of one of the natural sources of money supply, and other countries were compelled to take not only the annual product of silver, but also the mass of silver which has been collected by Germany as the result of the demonetization of its coin.

So France, two or three years after the United States had done so, reluctantly began to close its mints to silver, and was followed by the entire Latin union. That is the history of that transaction. I say, if before action this important change in our financial system had been discussed in the United States, and debated in Congress, if it had been considered by the President of the United States, we would not have joined in the gold movement. The United States aided that movement, and precipitated upon European nations the destruction of silver as one of the money metals of the world. She was one of the promoters of demonetization.

EFFORTS FOR AND AGAINST REMONETIZATION.

What did we do after we discovered that we had demonetized silver? As soon as the mistake was known the agitation for the restoration of silver to its constitutional place as one of the money metals of the country began. It was opposed by the creditor class, who, if not the promoters, were the beneficiaries of that legislation. It has been a matter of continued, progressive agitation from that day to this, and what is the result? In 1878 a free coinage bill passed the House after debate and full consideration, and then the money lenders of the United States, the banking institutions, collected together, just as they are collecting together now, and opposed the bill. It was modified in the Senate, and the Bland-Allison act was finally passed. These forces still oppose it.

The bill was vetoed by President Hayes, and finally a compromise bill was passed over his veto. And yet the agitation did not cease. What did these gentlemen—the bankers and money lenders of the world, who were interested in increasing the purchasing power of money and putting a limit to its quantity—then predict? They predicted that we would be in the condition of China, India, and South America, and that all the gold would leave the country. What is the fact? The statistics of Mr. Leech show that in 1870 there was in circulation in the United States \$106,000,000 in gold coin and gold certificates.

What was the effect, in 1880, after this act of 1878 had gone into operation, and when we would reasonably expect the predictions of the bankers and money lenders to be fulfilled? The gold, in coin and certificates, in circulation that year amounted to \$268,000,000, as against \$106,000,000 in 1878. And yet the agitation for remonetization went on. President Cleveland was elected. Before his election he addressed a letter to the Democratic members of Congress, requesting the repeal of the limited coinage act of \$2,000,000 of silver a month, and predicting the direst disaster to the finances of the country unless it was repealed.

Mr. TRACY. That was in reply to a letter addressed to him.

Mr. NEWLANDS. Yes, and he followed it with message after message advocating the repeal of this act, and insisting that the country was on the edge of financial peril. And still our gold volume increased. In 1890 this agitation finally resulted in increasing the coinage of silver to 4,500,000 ounces per month. During all this time the money-lenders and bankers were also indulging in these predictions of dire disaster. What was the situation in 1890 as compared with 1880? In October, 1890, within three months after the act of July 14, 1890, took effect, and when the threatened exodus of gold should have taken place, we find, according to director Leech's statistics, nearly \$550,000,000 of gold in circulation as against \$268,000,000 in 1880.

PREDICTIONS OF DISASTER.

Yet we still hear these predictions to-day. We are almost led to believe that the threatened commercial disaster of six or eight weeks ago following the failure of the Baring Bros., had been caused by the apprehension that this country would be put upon a silver basis. What has caused the monetary difficulty in this country? Was it silver legislation?

England is on a gold basis. Russia demanded of the Barings, £5,000,000 in gold. The withdrawal of this sum threatened the bankruptcy of the firm, and a wave of contraction threatened to involve

England and America. What nation relieved the the situation? Was it a monometallic gold nation? No. Bimetallic France, secure with her \$700,000,000 of silver, standing side by side and equal in value with her \$700,000,000 of gold, came to the rescue and saved the financial world.

I ask what effect these predictions of commercial disaster are to have in the face of the financial experience of the country for the past twenty years? One of our prominent bimetallics, General Walker, a man who has written ably upon the subject and who believes in bimetallism, appeared here the other day and said there was a serious doubt as to the effect of further silver legislation; that this doubt might precipitate a hoarding of gold, and thus the contraction of the money volume by the hoarding of gold, amounting to more than the expansion caused by the free coinage of silver, would cause bankruptcy and disaster.

This threat is held over us by the creditor class, and has affected timid men. It was an idle threat in 1878 and 1890. It was an idle threat during Cleveland's administration, and it is an idle threat now. These people, as a means of preventing legislation, are creating fears, and we are expected to yield honest, earnest, scientific, progressive legislation to these threats and fears which experience has shown to be empty and groundless.

Let us see how this will operate. How is this \$600,000,000 of gold to be withdrawn? Where will the people who withdraw it put it? Will they send it to any other country for investment? Will they put it in strong boxes, and keep it without drawing interest? Is the whole sum to be immediately withdrawn, and this contraction of the currency to be instantly precipitated upon the country? No. The only way holders of gold will seek to protect themselves will be by requiring specific contracts to be paid in gold. That is all they can do.

Mr. BARTINE. And that would keep gold in circulation.

Mr. NEWLANDS. Yes; I have signed such contracts year after year on the Pacific coast. If I wished to borrow now I would not hesitate to sign a promissory note payable in gold coin, because I know very well if this bill passes, gold and silver will be interchangeable, there will be no contraction in the volume of currency, and I will not be called upon to pay more in corn, wheat, or the products of labor than when my obligation was contracted. This gold remains in and constitutes a part of the currency of the country, and as soon as people find that gold and silver do not part company, as they will not, the practice of requiring payment in gold will be abandoned.

NO INUNDATION OF SILVER.

They say we are to be inundated by silver from the European countries. If this is a serious danger I admit that it ought to be considered. What we want to do is to avail ourselves of the natural source of supply of our silver mines and increase the money volume gradually as population and business increase. We do not want to have precipitated upon us the silver coin of Europe. But will that silver be precipitated upon us? Is it expected that bimetallic France, which has witnessed the triumph of her monetary system, will throw \$700,000,000 of silver upon this country? The people there are attached to the coin of small value and it is in constant use. Of the \$1,100,000,000 of silver which the Director of the Mint says is in Europe in the shape of legal tender, silver France holds \$700,000,000. Will France part with it? If not, then we have only to meet \$400,000,000 of silver.

Let us see what amount of silver is held by the other countries of Europe and if there is a probability of their precipitating it upon us. Germany has \$102,000,000 of silver. Is she going to turn it over to us? You heard the testimony the other day of a New York broker, who had been in the German mints and saw them coining small copper coins representing almost infinitesimal value. Is it to be supposed that Germany will part with the silver coins in use among the people and essential to their prosperity?

The agitation is going on in Germany just as it is here for the re-monetization of silver. Will any man say that that agitation is not progressive and growing in strength the world over every day? Belgium has \$48,000,000 of silver. Is she going to throw that upon us? Italy has \$25,000,000 of silver. Is she going to precipitate that upon us? Imagine the Italians with only gold in circulation; imagine the size of the smallest gold piece for the ordinary wants of this impoverished people!

Mr. BARTINE. And the people working for 15 cents a day.

Mr. NEWLAND. Yes. Switzerland has \$11,000,000 of silver. Is provident and economical Switzerland, where labor is poorly paid and every penny is saved, going to put herself upon a gold standard? Spain has \$90,000,000 of silver. Does she not need that? Is there any agitation there in favor of the demonetization of silver? Is Austria-Hungary, a country that has suspended specie payment entirely and is now on a paper basis, going to cast upon us any silver?

Imagine the effect of withdrawing this silver from those countries! It would be a slow, tortuous process. It must be withdrawn from the people. It must be put in the melting-pot and then sent to America to be disposed of at a loss. In the mean time the people are deprived of their silver. I say the people won't give it up.

The conditions in those countries are entirely different from what they were in Germany when silver was demonetized. Germany was about to unify herself. She was about to establish an Empire out of fifteen or twenty petty sovereignties, Kingdoms, and States. She was about to unify her currency. She began to withdraw the silver from the people, but she could not have done it unless she had something with which to replace it. France furnished her with the gold with which to do this. Does any other country stand in this condition?

Mr. TRACY. If they sold silver coin could they not get gold for it?

Mr. NEWLANDS. They could by this tortuous process, wresting it from the people who are attached to it, putting it in the melting-pot, and then sending it over to us; whereas Germany had in her treasury these many millions of gold given to her by France as the penalty of the war.

Mr. VAUX. How did France accumulate this gold to pay?

Mr. NEWLANDS. I really do not know. I think it is one of the triumphs of her monetary system that she has been able to respond to any demand upon her. Another result of her monetary system was that in 3 years after the war she was in a more prosperous condition than Germany; and to-day the finances of Europe and of the world have been saved by bimetallic France.

Mr. VAUX. The gold in France must have given value to the silver.

GOLD AND SILVER BOTH ESSENTIAL.

Mr. NEWLANDS. Do we ask that gold shall be eliminated from our currency? Are we for silver pure and simple? We say there has never been gold and silver enough in the world to perform the functions of money. No man can point to a time when there was. I point to the

fact that one-third of the money of the world consists of credit money, paper money issued by governments and banks, simply because there is not enough of both gold and silver with which to do the business of the world. We believe that these two moneys should flow together in the financial stream, adding to its volume. We believe that the money of the world, whose volume is limited by nature itself, is a better money than that whose volume is only limited by legislation—by either the folly or the wisdom of man. And we say that as long as there is a dollar of credit money in existence, as long as there is a paper note issued by any government in the world, as long as there is a bank note issued by any bank and made a legal tender, so long the necessity for both gold and silver, as money, is absolutely demonstrated.

Mr. BARTINE. Of course you speak of uncovered money?

Mr. NEWLANDS. I mean uncovered money, and that gives me a suggestion upon which I would like to base a few deductions from the tables of the Director of the Mint. He has presented us with a few tables showing the gold and silver and uncovered notes in the United Kingdom, France, Germany, and the United States. You all understand that uncovered notes means notes not backed dollar for dollar by actual coin. There are in France only \$104,000,000 of uncovered notes, in the United Kingdom only \$60,000,000, and in Germany \$150,000,000, while the United States has \$432,000,000 of uncovered notes. Now, I ask, is this golden opportunity to back those notes dollar for dollar by coin in the Treasury to be allowed to pass? We have nearly three times as much uncovered notes as Germany, seven times as much as England, four times as much as France, and more than all three together; yet we hesitate about restoring silver as the acknowledged money of the country, and backing these uncovered notes gradually, wisely, scientifically, by actual silver coin in the Treasury.

(Mr. Newlands here gave way to Mr. Milliken, of Pennsylvania, with the understanding that his remarks should be continued hereafter.)

STATEMENT OF MR. JAMES MILLIKEN, OF PENNSYLVANIA.

The following letter was presented to the committee:

MORE SILVER IN SUBSIDIARY COINAGE.

BELLEfonte, PA., *January 23, 1891.*

SIR: If I understand correctly the general aim and purpose of the very large class of citizens now favoring free coinage of silver, it is in the hope and belief of inducing or forcing more silver into circulation as money. To that end I crave leave to ask your honorable committee to again consider the suggestion of retiring the present subsidiary silver coinage. Let its redemption be made at par, deducting only for loss in weight in a new subsidiary coin, which shall contain 414 grains standard silver "to the dollar," or $1\frac{1}{2}$ grains more than the present standard dollar—and this by reason of the greater number of pieces subject to wear.

The most considerable portion of actual coin in circulation is in the hands of the people, and the effect of this change will be availed of by the masses, as in France, for their hoardings, and most especially in times of panic greatly to the relief of banks, and of trust and deposit companies.

At present the subsidiary coin fails to pass into general use by reason of its depreciated value, for it contains but 384 grains standard silver to the dollar.

With this new coin in use, which in itself would be alike equitable and honorable to the Government, the circulation of that class of coin, I do not doubt, would be increased tenfold over what it is at the present time.

I am, with great respect and esteem, very truly, yours,

JAMES MILLIKEN.

Hon. C. P. WICKHAM,

Chairman House Committee Coinage, Weights, and Measures, Washington, D. C.

The above letter having been read, Mr. Milliken said :

Mr. MILLIKEN. Referring to my letter to the committee, I desire to call attention to the debasing of the subsidiary coin in 1853, on the ground that it would prevent it going out of the country. The question is now whether we should not, if your legislation is going to become law, take just the opposite course, and instead of having two half dollars containing 384 grains of standard silver, make them contain one grain and a half more than the standard silver dollar ; and this by reason of abrasion upon the greater number of pieces to the dollar. An incident which occurred in the course of my travels, may be of interest in this connection. It occurred in connection with the Papal "lira," which was established to be of equal value with the French franc. In the course of the vicissitudes and troubles of that Government that coin became debased.

It was important to the Governments of Europe, and especially the Roman Catholic countries, that the coin of the Papal Government should be sustained, and especially its then currency, which had passed into Switzerland, France, and Spain as of equal value to the franc. Owing to further troubles that coin became a second time debased, and then when the difficulty arose between the Italian and the French Governments the French Government refused to take the "lira" at par. The effect of that refusal was such as almost to destroy faith in the church on the part of the peasantry of France. It happened to be my privilege to be traveling in that country at that time. The priests and bishops had personally to prevail upon the peasantry, who had hoarded large quantities of the lira of the church, to return to the church by reason of this fact. You have to-day this debased subsidiary currency which you ask the people to take, and the laboring man takes it. Should it burst upon his understanding that it was not a dollar in value, even in standard silver, he would refuse to take it. It passes current to-day, and there is no distinction in the value of your money. Take a five-dollar gold-piece or five dollars in silver, and you can pass it for debt or purchase because the populace are willing to take it.

Mr. WALKER. When was it you say that they refused to receive this coin ?

Mr. MILLIKIN. It was in 1862, I think, before the formation of the Latin-Union and before the Government of Italy was removed to Rome, which was as late as 1870. I was traveling abroad between both of those years.

Mr. WALKER. Can not you fix the time ?

Mr. MILLIKIN. No, sir ; I went over some seven times between those periods.

At this point Mr. Millikin was interrupted by the hour of adjournment.

COMMITTEE ON COINAGE, WEIGHTS AND MEASURES,
Thursday, February 5, 1891.

The committee met at 10:30 a. m. Present, the Chairman (Mr. Wickham) and Messrs. Bartine, Wilcox, Carter, Walker, Comstock, Bland, Tracey, and Vaux.

STATEMENT OF PRESIDENT POLK, OF THE NATIONAL FARMERS ALLIANCE.

The CHAIRMAN. We are honored this morning with the presence of the officers of the National Farmers' Alliance Association. The presi-

dent of the association, Mr. Polk, and other gentlemen, desire to pay their respects to the committee, and Mr. Polk would like to say a few words. We will hear him with pleasure.

Mr. POLK. Mr. Chairman and gentlemen of the committee: Our National Legislative Council, which is composed of the presidents of the State associations of the National Alliance, are in session in this city on matters pertaining to the order of hearing before you, and in which we feel a deep interest. I will merely say that we appreciate the privilege of addressing you for a few moments. We are here to ask you to consider this bill which you have before you on its merits. We are not here to ask you to divert action, but to urge action. I hope that your committee will find it consistent with your duty to report the free coinage bill, secure a day for its consideration in the House, and let it stand on its own merits before the people of the United States. This is the feeling of the people we represent, who are the farming element of thirty-five States of the American Union. Their direct representatives are here in the person of the presidents of the State organizations. We feel a profound interest in this bill and we trust your committee will secure a day for its consideration. We want the bill decided squarely upon its merits by a free vote, not of Republicans, nor of Democrats, but of representatives of the American people, recognizing that they are representatives of the American people, and not the representatives of parties. I thank you for the courtesy you have extended to us.

ADDITIONAL STATEMENT OF MR. JAMES MILLIKEN.

The CHAIRMAN. Mr. Milliken is here and desires to conclude his statement.

MORE SILVER IN SUBSIDIARY COINAGE.

Mr. MILLIKEN. I desire to add that I have not the slightest doubt that if you restore the subsidiary silver to the value of the whole dollar that you will have ten times the amount of silver of that character in circulation than we have now. I have no doubt that we would have a circulation of \$200,000,000 of subsidiary coin within not a remote period. As it is now, the dealer refuses it and the men on the cars want to put it off on you. Nearly all classes are moving in that direction, and by increasing the weight of it you make a coin that will pass current more readily and remain in the hands of the masses.

Mr. VAUX. Your proposition is to add more silver to it?

Mr. MILLIKEN. Yes, sir; it was debased under the apprehension that it would prevent its going abroad. In silver legislation, to which my distinguished friend from California has referred, we must not lose sight of the fact that we then suppose silver going to remain above par for gold. If you look at the statistics of the production of gold in our country for a term of 50 years, say from 1831 to 1881, I think you will find that the production of gold has been three times as great as that of silver. The apprehension was that silver must be debased to prevent its going, and you have debased the coin which goes into the hands of the people, the laboring and the poorer classes and to remain there for final loss. I will not detain the committee further.

Mr. BLAND. We had a bill before the committee looking to a recoinage of our subsidiary coin and making it a legal tender for \$20 instead of \$10, and also making it part of our national bank reserve. The bill

we have under consideration to-day is one which provides for this, so that any one having \$100 of it can turn it into the Treasury and get paper for it, and consequently it is being turned into the Treasury. That is one of the difficulties in keeping it in circulation.

Mr. MILLIKEN. I thought it would be wise to make or use 414 grains standard silver to each dollar of subsidiary coin.

Mr. BLAND. The people can take twenty silver dollars to the Treasury and get a piece of paper for it. Take the railroads and street-car people, they don't want it on account of its weight, and they deposit it and get paper. If we repealed that part of the law, it could be kept out.

Mr. MILLIKEN. Much of that difficulty can be overcome if you repeal the law authorizing the issuing \$1 and \$2 bills.

Mr. BLAND. The heavier it is the more objectionable it is.

Mr. MILLIKEN. I simply ask that you will make it, I would not say an honest dollar. Some insist there is not an "honest silver dollar," but I think the use of that word is not proper because the Constitution has provided that Congress shall "coin money and declare the value thereof," and therefore it is untrue and against patriotic aim and purpose and it is against what is right and fair, since if it is a legal or lawful dollar, to speak of it as a dishonest dollar. If we, by our Constitution and laws declare any number of grains of silver that you shall elect to be an honest dollar, it should be reckoned an honest dollar. I ask you to make this subsidiary coin, that is the halves and quarters, at least not less than the whole dollar.

Mr. BLAND. We have another bill that takes hold of that subject, and we can not, I fear, consider it now.

STATEMENT OF JOHN M. FORBES, OF NEW YORK.

Mr. FORBES. I desire to bring up a few points in this discussion and to disclaim being the advocate of any special legislative measure.

The CHAIRMAN. Before doing that will you please state your business?

Mr. FORBES. I am in the Eastern trade—China and India.

The CHAIRMAN. You have a direct communication with those countries?

RELATION OF SILVER TO COTTON, WHEAT, AND PETROLEUM.

Mr. FORBES. Yes, sir; a daily communication. That makes me more or less familiar with the operations of which I am about to speak. In examining this matter I have been led to ask myself the question, what is it that makes this demand for silver legislation so widespread and coming from so many different quarters of the country? The mere addition to the currency of money supply is not, to my mind, the solvent of that question. When we come to examine it further we find that the wheat country, the cotton country, and the oil country, those sections which produce those three staple articles, would be affected very seriously by any silver legislation. It is not, therefore, the cry of the silver mine owners only which we hear; it is the cry of the wheat farmer, the cotton raiser, and the oil producer. In these staple articles we are competing directly with the silver-using countries, and therefore, however singular the statement may appear, in those articles we are on a silver basis already; that is to say, that those crops, with the exception of oil, the crops of wheat and of cotton are now measured by the

value of them in the silver-using countries which produce them. India, Egypt, and Russia produce wheat and use silver.

India and Egypt produce cotton, and a glance at the statistical position of these articles, the exports from those countries, will confirm that statement. I am not much of a statistician, but last night I went over the Financial Chronicle for January 3, from which I took these figures: The exports to Europe from all India were, in 1890, 1,776,000 bales of cotton; in 1889 they were 1,671,000 bales, and in 1888 they were 1,164,000 bales; showing a progressive increase in their exports, owing to the progressive decline in silver. The Egyptian crop of cotton is estimated to be 700,000 bales in 1890. I could not find any statistics of the exports of production for previous years, but the Egyptian cotton is a special article, and therefore can not be brought into the general statistics; it is a finer cotton. I think it is finer than sea island cotton.

We have seen that wheat and cotton come into direct competition with us in silver-using countries. We all know that the export of wheat from India has increased enormously of late years, owing partly to the opening of the Suez Canal, and partly to the fact of the fall in the gold value of silver. When we come to the question of refined oil, I am at home, for that is my every day business. You gentlemen know that we are suffering now from competition with Russian oil. It is only within the last few years that American oil has been brought into competition with Russian oil in China, and this has been brought about by the change in the gold value of silver.

Mr. BARTINE. You can not connect that with railroad building.

Mr. FORBES. There is no question of railroad building in the matter at all. It is simply a question of the gold value of silver in Russia.

Mr. BARTINE. A gentleman suggests that there has been a discovery of oil in Russia upon a large scale.

Mr. FORBES. That is true; and undoubtedly the methods of refining and putting it in cases have improved it; but the first and main reason that enables them to compete is the decline in the gold value of silver.

Mr. BARTINE. The United States is unable to compete with them in oil.

PRICE OF SILVER AND EXCHANGE.

Mr. FORBES. It is a matter of exchange. It is relative to the gold value of silver. It is what we call the fall or rise in exchange. All our exchanges in silver-using countries are regulated by the gold value of silver in London. The banker makes his quotations in exchange in China or India, on London, by the telegraphic price of silver on the London market on that day, and therefore the price of silver governs the exchanges of the silver-using countries all over the world. As a singular confirmation of what I say with regard to Russian oil during the last year, some of the refiners asked me about this question of exchange, why it was they were having such a demand for their oil. I explained the whole matter to them. I drew up a schedule showing the quotations of oil in sterling and as silver rose in gold value oil rose in sterling.

Mr. BARTINE. Then there is such a thing as sterling money?

Mr. FORBES. There is by exchange.

Mr. BARTINE. A gentleman before us said there was no such thing as sterling money.

Mr. FORBES. As the value of oil rose in terms of gold the value of Batoum oil rose in pounds, shillings, and pence; that is to say, the cost,

freight, and insurance quotations rose in terms of gold. That enabled the refiners to increase their exports at the same price in gold here and afterwards to advance the price of oil. I am speaking of the export trade exclusively.

PROFITS OF RISE IN COTTON, WHEAT, AND PETROLEUM.

To my mind this has a still larger bearing, because we all know that the prices of the exportable surplus of any commodity govern the prices of the whole of it. I think no axiom is better settled than that. At an average crop we have 450,000,000 bushels of wheat. Of that we export, including flour, 100,000,000 bushels. If we come into competition on the London market, we are obliged to compete with Indian wheat. As silver declines there is a decline in the gold value of wheat. We are on the same basis with Indian wheat in the London market. Now, we will assume that legislation places the price of silver at 129.29 in terms of gold, or a rise of, say, 25 per cent on the gold value of silver. We can not expect to get the whole of that difference in the value of our exports. A moderate estimate would be one-half, or it might be less, but let us assume to be within the line of all proper assumption that we should get 10 cents a bushel more than we have been getting for our exportable surplus. When silver rises wheat goes up with it.

Mr. COMSTOCK. You say wheat went up with silver, but wheat has gone up 5 to 7 cents of late and silver has all the time been lagging. Does one proposition argue more than the other?

Mr. FORBES. I think it does. One is the effect of supply and demand and the other is the effect of extraneous conditions, and the questions are entirely different.

Mr. COMSTOCK. How can you separate them?

Mr. FORBES. If the price of silver in terms of gold went up it would help you very much, but you are helping yourself by placing an embargo upon the Indian wheat to that extent. That always will help you. I am averse to making any sweeping assumptions, but I think it is well to bring before the committee prominently the differences, and as merchants are in the habit of arranging these matters by debit and credit, I have arranged them in that way. Assuming that we make a present to the mine owners (I believe that is what it is called) of 13 millions of dollars, that is to say, 25 cents an ounce on 54,000,000 ounces of silver, suppose we give that to the mine owners?

Now, what do we get, assuming the gold price of silver rises to 129.29 or thereabouts? If my deductions are sound, other things being equal we could realize 10 cents per bushel additional on the whole crop, because no man can separate the export price from the price of the whole without legislative interference. That gives us \$45,000,000 more and puts it in the pockets of the farmers who raise wheat, and that is where it ought to be. On 8,000,000 bales of cotton, the estimated crop of this year, we have exported during the calendar year 5,000,000 bales. Now it is safe to assume that the law which would apply to wheat would apply to cotton also, and we should have a raise of a cent a pound on cotton; that would be \$5 a bale, because the average weight during the year has been 500 pounds to the bale. That gives us \$5 a bale on 8,000,000 bales, which is \$40,000,000. I wish I could see my way clear to say the same thing about our corn crop, but there is no competition from silver-using countries with our corn; but probably the value of it would be regulated, as some of you gentlemen know, by the value of wheat; but whether it would or not, I am not prepared to say.

Mr. WILLIAMS. There would be a sympathy between the two crops.

Mr. BARTINE. They occupy the same field and are both food products

Mr. FORBES. They are food products, and both are cereals. If I could say the corn crop would be increased 5 cents on the principal of the increase in the price of wheat, we should place \$78,000,000 in the pockets of the farmers by that alone. That is, place that much more in their pockets, because they raise 1,560,000,000 bushels.

Mr. COMSTOCK. Do you have a good deal of confidence in that statement?

Mr. FORBES. No, I say I am considering that as an increase in price in sympathy with the price of wheat.

Mr. BLAND. The price of wheat would tend to raise the price of corn.

Mr. FORBES. Our export of corn was 101,000,000 bushels out of 1,561,000,000 bushels. We exported 662,000,000 gallons of refined petroleum, and it is fair to assume 1 cent a gallon advance upon that, and as a matter with which I am familiar I should say that the rise would be much more than that. But stating it at that the amount would be \$6,600,000. It may be said that the rise in the price of refined petroleum would not help the producer of the crude petroleum, but perhaps my friend from Pennsylvania (Mr. Vaux) could tell you that our refineries have been working on close margins, and that anything that increases the price of refined oil would help the producers of crude oil in Pennsylvania and West Virginia. But I have said enough to show what I mean. My figures may not all be accurate. I think they are pretty well founded. The figures I have read show the total credit balances to be \$91,000,000, against an expenditure in the shape of a present to the mine owners of \$13,000,000.

Mr. WALKER. What do you take as your basis?

Mr. FORBES. I am speaking of gold and silver at a value on silver of 129.29, or thereabouts.

Mr. WALKER. That is providing your assumptions are right.

Mr. FORBES. Provided I am right in my figures.

Mr. WALKER. You may be entirely right in your figures.

Mr. FORBES. Provided I am right in my argument.

Mr. WALKER. What I want to get at is this. Provided we have free coinage of silver in this country, and that silver was brought to the commercial ratio of sixteen in silver to one of gold, then your figures are correct. If it would not have that effect then your figures are wrong. Twenty to one is the commercial ratio now.

Mr. FORBES. Yes, sir. I am not advocating free coinage. I am simply stating my views from my commercial experience. I am not saying what will be the effect upon this country if this legislation were adopted.

Mr. WALKER. Do you claim, in your argument, that the action of this country alone, without taking into consideration that of European countries, caused silver and gold to go apart from the ratio of 16 to 1?

Mr. FORBES. I can not say. I have not made that argument.

Mr. VAUX. This is a very interesting statement.

Mr. WALKER. The statement of this gentleman is of more consequence than any 10 that we have had before us.

PROFITS ON EXPORTS OF COTTON, WHEAT, AND PETROLEUM.

Mr. FORBES. On the same basis—because we must argue on some basis—I have assumed the same point of departure, and if my argument is sound everything hangs upon that. If I am correct, then we have an

exportable surplus of 100,000,000 bushels of wheat, which at 10 cents a bushel, the sum I have assumed before, would make a credit balance on our exports of \$10,000,000 on wheat; of cotton, 5,000,000 bales at \$5 a bale would be \$25,000,000, which we should have to get from Europe; of refined petroleum we have 662,000,000 gallons, which at 1 cent a gallon would be \$6,600,000. Leaving out of the count entirely the matter of corn, we have a balance greater than we have now, assuming that my premises are correct, of \$41,000,000 in our favor in the export balances on these three articles. Since I have been here I have been asked what effect this would have on the trade of Massachusetts, what effect it would have on the cotton manufactures of Massachusetts, which is part of my business.

Mr. WALKER. You were asked by whom?

Mr. FORBES. By one or two of my friends here.

Mr. WALKER. You were not asked that by a member of this committee?

EXPORT TRADE OF SILVER-USING COUNTRIES.

Mr. FORBES. Oh, no; I was asked what would be the effect of it on our domestic manufactured goods. I can only say that last year, when silver rose to the point it did, it gave a great impetus to the export of our manufactured goods, which were sent to the Eastern silver-using countries—China, India, and the Straits, and other places to a considerable extent. I do not like to rely upon my memory on these matters, but I know the export to China was increased at least 20 per cent., although I find no detailed account in the Financial Chronicle of that export.

Mr. COMSTOCK. Let me call attention to one point. In reference to shipment of cotton goods to China, has not the opening of the Pacific railroads had some effect on that?

Mr. FORBES. I do not think it has, because the difference in freight by the Canadian Pacific, is not sufficient to account for that increased export. It facilitates business very much. I find in the Financial Chronicle that the export of domestic goods to silver-using countries were, in 1890, 180,000 bales; and in 1889, 155,000 bales. What applies to domestic goods I would say in general terms applies to all exports of any character whatever. Wherever we come into competition with silver-using countries it would affect our exports of those articles. We are now trying to increase our trade with South America; and the increase in the gold value of silver would facilitate, stimulate, and consolidate our interest. To my mind there is nothing that would do it so quickly and so largely.

Mr. TRACEY. I would like to ask you what effect the agitation of this silver question is having on your trade?

Mr. FORBES. It is having a very bad effect. What I mean to say is that we can not tell what to do. In China to day they are all cabling for me to tell them what to do with regard to trade in merchandise. They do not know whether to contract or to wait.

Mr. WILLIAMS. It is on account of the uncertainty.

Mr. FORBES. It is on account of the uncertainty of exchange.

Mr. WALKER. The uncertainty of what—the price of silver?

Mr. FORBES. Uncertainty as to the kind of legislation we are to have.

Mr. WALKER. Do you use the term legislation as equivalent to the effect of the rise or fall of silver?

Mr. FORBES. Yes, sir. I mean to say the effect legislation will have on the price of silver.

Mr. TRACEY. In the event of a free-coinage bill being passed, and silver and gold not being at par, what effect will that have on this eastern business? For instance, if gold goes to a premium, and we get on a silver basis, what effect will that have?

Mr. FORBES. If we were entirely on a silver basis it would facilitate our export trade immensely.

Mr. WALKER. How would it be with regard to gold countries?

Mr. FORBES. It would stimulate our trade with gold countries, because we would be exactly in the position of India and China.

Mr. COMSTOCK. Do you mean to say that India and China are on a better basis than the United States?

Mr. FORBES. I do not say that.

Mr. WALKER. You mean it would stimulate the trade if gold and silver were on a parity?

Mr. FORBES. As I understood Mr. Tracy's question, it was whether if all the gold were to leave the country and we got to a silver basis, how would it affect our exports? I say it would affect them as it has affected the trade of silver-using countries already. It would stimulate it.

Mr. TRACY. I assume gold would be at a premium. Silver would be the same as it is in China or India, and I wanted to know how that would affect the situation?

Mr. FORBES. If you mean in terms of gold and I mean in terms of silver, we are arguing from different bases.

Mr. TRACY. With these other countries on a gold basis, and the United States then taking its place with India and China, what effect would that have?

Mr. WILLIAMS. On the class of trade he has referred to.

Mr. FORBES. The fall in the gold price of silver has stimulated enormously the export trade of silver-using countries. That covers the question.

Mr. BLAND. I understand that most authors lay it down as a proposition well established, that where a country is on a silver standard, and gold is at a premium, all debts would be settled in gold, and the silver country would export commodities that would sell for gold in order to settle their balances and that would stimulate trade. The proposition is this: If India should owe a debt to England of a hundred million pounds sterling, India would not export silver because she could not get the same price for it that she could at home; instead of exporting silver she would export commodities, and in that way the trade of India and all silver-using countries would be stimulated. Its silver would be worth more at home than it would be worth abroad, and its commodities would be worth as much abroad as they would at home.

Mr. FORBES. That is true.

Mr. WILLIAMS. That would be paying the balance with commodities.

Mr. BLAND. It stimulates the export of commodities.

Mr. CARTER. From your knowledge of the commercial condition of China, Japan, and India, you believe that the free coinage of silver in this country would cause any exportation of silver to the United States from China, Japan, or India, or to be more brief, whether silver would come from those countries to the United States?

Mr. FORBES. In general terms I should say not.

Mr. WALKER. Upon what do you base your answer?

Mr. FORBES. Because silver is the currency of those countries, in the first place, and their commodities are measured in that currency.

Mr. CARTER. Exchanges are made in that currency?

Mr. FORBES. Exchanges are made in that, and the export of the currency of the country is generally the last thing to occur in the exchange of commodities. There must be some abnormal reason for the export of the currency of the country in the place of commodities. I can not imagine such a condition of things except war or some abnormal occurrence.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Tuesday, February 10, 1891.

The committee met at 11:30 a. m. Present: The chairman, Mr Wickam, and Messrs. Walker, Carter, Comstock, Bartine, Tracy, Willcox, Williams, and Vaux.

Mr. FRANK. Mr. Chairman, I am here this morning to present two gentlemen from my State, who desire to be heard with respect to the legislation you are now considering. Mr. George E. Leighton and Mr. E. A. Hitchcock are the gentlemen to whom I refer. I can say that these gentlemen are familiar with the matter in hand, and that anything they may say will be said with the accuracy for which they are known, and also that they are among the most respectable and influential citizens of St. Louis.

STATEMENT OF MR. GEORGE E. LEIGHTON.

The CHAIRMAN. Please inform the committee in what business you are engaged.

Mr. LEIGHTON. I am and have been for 15 years past at the head of one of the oldest manufacturing institutions of St. Louis. It is perhaps the oldest iron firm west of the Mississippi, being in its fifty-fourth year. I am also connected with the banking interest of St. Louis, as a bank director, and have been in contact with its financial interest for about 20 years. I have been connected with various commercial organizations during that length of time. I have been a resident of St. Louis for about 33 years.

The CHAIRMAN. Are you connected with the Board of Trade?

Mr. LEIGHTON. I am not a member of the Merchants' Exchange, my business being connected with manufacturing.

ST. LOUIS PROTESTS AGAINST FREE COINAGE.

We appear before you, gentlemen of the committee, representing some of the largest business interests of the city of St. Louis, profoundly interested in the question now before the committee.

We are commissioned by them to represent their earnest conviction that the Senate bill relating to the free coinage of silver under present conditions, if passed, will most seriously embarrass the business of the country and lead to results most injurious to its great commercial, manufacturing, and agricultural interests.

So much has been said and passed without question about the unanimity of sentiment in the opposite direction, especially in the West, that I should hesitate to make the statement which I do with deliberation, that so far as I have been able to ascertain in the city of St. Louis there is practically but one opinion among business men.

I hold in my hand a copy of a protest against the passage of the Senate bill from one hundred and fifty leading merchants and manufacturers of St. Louis. It has been presented to the House, and will probably be referred to your committee. Such a protest, in the character of the men who have signed it, their long identification with the trade and commerce of the West, and in the extent of that trade, has, I venture to say, never before been presented to the Congress of the United States from that city. I doubt if there has been any other question before your body in a decade in which such absolute unanimity would have been manifested.

The signers of the protest, as I have said, embrace the business most directly connected with the business of the whole West. They represent, upon an estimate carefully made, an annual distribution of over one hundred millions in the trade and commerce of St. Louis, and as this is also represented on the other side by the distribution of substantially an equal amount in the processes of manufacture and of purchase it represents a relation to the trade and commerce of the country of over \$200,000,000. I wish to say further that it represents all parties.

I deem it fortunate that you have on the committee a distinguished representative from Missouri (Mr. Bland), who has been familiar during his whole life, personally and by reputation, with the names upon this protest.

However much he may be constrained to take a different view of the question at issue, he will tell you that the names represent the very largest interests in the trade and commerce of St. Louis, that the commerce they represent covers every State and Territory from the Mississippi to the Pacific—from Texas to the Dominion. He will tell you that the names which he has been accustomed to hear for more than a generation as the great houses in iron, lumber, grain, tobacco, cotton, groceries, dry goods, hardware, glass, boots and shoes, its river commerce north and south, in manufactures of all the metals, and of wood and stone, are there.

I wish to call special attention to another characteristic which is worthy of note. Whilst I believe that it accords with the views of every banker in the city of St. Louis (I have that assurance from most of them) you will not find their names. It represents those directly interested in trade and commerce, in handling the great products of our country.

Now, will you find upon it the names of those who would be classed as capitalists—I mean those who are owners of capital, not associated with productive, industrial, and commercial pursuits?

I make this statement because I wish the fact to be recognized that it springs not from what are classed as gold bugs and coupon cutters by the advocates of this measure, but from those whose daily duties bring them into personal contact with the working forces of the nation, whose whole occupation makes them familiar with the practical effect of measures effecting the currency, and though they may not always be able to formulate the reasons for their faith, have the intuitions that are born in lives in contact with the daily business of the world.

Having said this much as indicating for whom we speak, I beg to read the memorial.

The undersigned merchants and manufacturers of the city of St. Louis, without distinction of party, having large and direct business intercourse in the States and Territories west of the Mississippi River, earnestly protest against the passage of Senate bill No. 4675 (the Free-Coinage Bill), now pending before the House.

They believe that there is nothing in the present condition of the country requiring the action of Congress in respect of the circulating medium, and in the absence of such an imperative necessity, any legislation can only be productive of harm.

They believe that the passage of the Senate bill, whilst the present unstable market values of silver obtain, would disturb the standard of values upon which all transactions, domestic and foreign, are based, would discourage for an indefinite period commercial intercourse, and depress the industries of the country in all their varied directions. To agriculture, commerce, and manufactures alike, we believe it would be prolific of the most serious results.

We disclaim any antagonism to the use of silver in the currency of the country under conditions where its value in law will be honestly representative of its intrinsic or bullion value; but the experience of the past has demonstrated the futility of attempting to give a value to silver by special legislation which it does not intrinsically possess in the markets of the world.

Until a ratio of real values can be established between the metals, and can be made permanent by the co-operation of the great commercial nations in such measures as will insure its filling a place equally with gold in international exchanges, the continued coinage of silver upon a false basis of value is pregnant with a threat to all financial stability, and may at any time, by inducing the retirement of gold from the circulation, precipitate results most disastrous to the whole country.

We therefore urge that the profoundest interests of the whole country require that that Senate bill should not become a law.

The real question before your committee has been so frequently discussed, profoundly and superficially, in the House and Senate, by Secretaries of the Treasury and in the journals of the country, that I am almost persuaded to stop here, leaving with you the influence that may be exerted, and that ought to be exerted, upon your conclusions by the expressed convictions of a body of men second to none in their patriotism, their judgment, and their devotion to the best interests of the whole country. I will not say for their disinterestedness, for every merchant feels that in the presence of a threatened danger of a far-reaching character, his interests are most seriously involved in common with the interests of the whole commercial world.

We might leave the expression of their matured judgment with you, asking for it the consideration to which it is entitled, as a fair statement of the sentiment of experienced western men.

ARGUMENTS FOR FREE COINAGE.

But I am asked by my fellow members in the delegation to say a few words upon the merits of the general questions, Who is pressing the passage of this bill? Certainly not the business interests of the country. Yet it is being urged, as we all know, with an aggressiveness and a persistency which is in the last degree intolerant of opposition or delay. We do not question the motives of any men or set of men. In a country like ours every citizen is free to press with all legitimate influence any legislation in his own personal interest. We may question his breadth of purpose, his unselfishness, his judgment, his public spirit, but we may not dispute his right. The right of opposition is equally unquestionable, and we may test its quality in just the same way. Is a personal, individual interest to be subserved, or is it one held in common with the mass of his fellow citizens? Is the policy urged intended to benefit a class, or is it a common interest of the whole people? Is it temperate, sound, beneficent, or is it revolutionary, disturbing—its results, tested by the best lights, problematical? Upon these principles I propose to say a few words in support of the position assumed by the merchants of St. Louis.

It is apparent from a very superficial observance of the conditions affecting this question that the passage of this bill is urged by several different interests and upon diametrically opposite considerations. I think it may be said with truth that some one is going to be very much disappointed in the results expected. In the first place it is being

pressed by those directly interested in silver production who wish to increase its market. We may assume this, because they have in national convention assumed this position, and I believe do not deny that they have an organization represented here in Washington by men of conspicuous ability, who with great tact and skill, through personal influence and the press, through all the machinery known to political committees, of letters and printed documents, are trying to create the appearance of an aggressive public opinion. Every point that would appear to influence anyone is taken up and pressed. It is immaterial that the claims of one day antagonize those of another, so that they in turn appeal to some one, upon some motive that will secure assent.

I think I am safe in saying that the general trend of the claim made by these people is that the free coinage of silver will not disturb the monetary situation; that is, that it will not drive gold into hiding places, that it will in the very fact promote silver not to a brevet rank, but to a full rank with gold, and all will go smoothly on without disturbance of the standard of values to a prosperity which we have never known. Such a claim, whilst I do not think it sound for reasons which I may give hereafter, is clear, is not unpatriotic, is consistent. It admits, inferentially at least, that if it would damage commerce, disturb values, and bring the whole country by a tremendous shock to a lower standard, it would not be desirable.

I think it goes without saying that this class of persons—I mean those directly interested in silver production—are comparatively few in number—that their claim is to be considered in a great degree from the standpoint of personal interest, and their judgment may reasonably be questioned where possible advantage is so large a factor in the result. But I wish to say here that there are in St. Louis men having very large interests in silver production who do not hold this view, and who are in entire accord with the position taken in this memorial.

But the bill is urged by another class, and from a different motive; and a large part of the appeal for the support of free coinage made to the West, not from the West, is upon the ground that silver is a cheaper money, that it will raise the value of all the products of industry simply because it would establish a silver standard in place of the present gold standard. I saw a report of an article, said to have emanated from the president of a bank in New York (Mr. St. John), which undertook to straddle the two positions. But in general I think every advocate confines himself for the sake of consistency to one.

FREE COINAGE MEANS SILVER STANDARD.

Now I believe as a matter of fact that the latter class are right, that free coinage under present conditions means a silver standard, the abasement of the present standard, the driving out of gold from the currency of the country, a sharp contraction of our available money, and a most serious injury to the business of the country. That is the belief of the business men of St. Louis who have signed this memorial.

That has been the conviction of every Secretary of the Treasury since the silver question has become a current political or economic question. Are they right?

It is assumed that there is something in the ratio of the coinage heretofore established that is sacred—that the relation of 16 to 1 is not to be questioned. Now I do not think there is any quality inherent in either metal, which determines its relation to the other in value. When the ratio for the coinage was established originally I presume

no one will question the fact that it represented, or endeavored to represent, not a fictitious but a real ratio. That ratio may have been ascertained by the experience of other countries, but at any rate it assumed to be a real ratio. It may be questioned whether any such ratio can be established which will be permanent, and there are economists we know who claim that it can not. Nor do I know of any one who claims that a permanent bimetallic free coinage can be maintained upon a basis confessedly false in its ratio. If it can—if all the value is given by the fiat of the law—then there is no necessity of giving even the present value to the silver dollar—let us declare our half-dollars dollars.

But I think no one will claim this. There must be some reason for fixing the amount of silver at 412 standard grains and not 350 or 450.

Now that reason can only be that the ratio established endeavored to represent net value—the convertible value of the one into the other. Does the ratio continue to exist? The history of the whole silver struggle from its beginning assures us that it does not—that all legislation has been futile to establish and maintain a ratio that does not exist; in fact, that the fairy house built upon the fiat of the law was without a foundation.

If it does not exist in fact, or so approximately that 412 grains of standard silver and 25.8 grains of standard gold will be interconvertible, can a bimetallic free-coinage system be established upon that basis?

COIN MUST HAVE REAL VALUE.

We have no prejudice against the use of silver for all it is worth. It is bulky, so is gold when used in large amounts, as in a country like ours—so vast its varied interests—it must be. The currency of a great commercial country must of necessity be a paper currency. But the vital attribute of coinage and currency is the same in every important respect. Behind every coin, as behind every piece of paper, lies the question, what is its real worth? Paper does not assume to have anything but a convertible or a redeemable value. Coin does not profess to be convertible. It is simply exchangeable by consent. It is the ultimate resting place of the measure of value. Hence it must have a value of its own which it keeps.

It would be beyond the purpose of this argument to discuss the question as to what makes that value. It is a great economic fact which has rested deep in the social organization of the world as an accepted truth from its earliest ages. That value has undoubtedly changed from generation to generation, from age to age, but if we are to substitute any thing else for coin we must construct civilization anew.

Now, I do not hesitate to say that the experience of the world has demonstrated two facts. One is that no legislation can give to a coin a value which in the accepted judgment of the world it does not intrinsically possess, and the other is that where the attempt is made under the sanction of law to give such a value, the only result is to make the baser coinage or currency the standard, and to drive into places of security the more valuable.

Legislation can not reconstruct human nature. The laws which govern the exchanges of the world are above those of Congress or Parliament and real values will assert themselves.

ILLUSTRATIONS OF DEPRECIATED CURRENCIES.

The histories of this country, of the Confederacy, of the South American states, and especially of the Argentine Confederation (ominous name for the advocate of silver) all show that in spite of legislation, real values will assert themselves in any currency which the most stringent legislation may decree, though they must do so over the broken fortunes, the wrecked industries, the bankruptcy of the country.

We need not go beyond the memory of this generation, both North and South, to learn all that we need to know in support of both the propositions I have stated.

We need only to recall the prompt withdrawal of all specie from circulation as paper legal-tender issues became excessive—values remaining substantially the same as measured by the fixed standard of gold, but changing here as hope increased or doubt diminished the confidence of ultimate redemption.

Every Confederate victory raised prices by diminishing the value of every legal-tender note. Every Federal victory lowered them by giving a better value to it. The one by its ultimate success, established by the long, weary way of an appreciating currency, its value at par; the other was forced out of sight, as it became worthless.

But I know that our opponents contend that silver will in course of time, upon the present basis of coinage, if not at once, become equal to gold upon the present ratio. We took the plunge both North and South in 1861 from dire necessity. Are we in this time of prosperity and peace ready to do the same again voluntarily that we may have the pleasure of travelling over again the same hard road of depreciation of prices, in new adjustments to an appreciating currency, as we did from 1870 to 1878.

It is unnecessary to elaborate the proposition that there can be but one standard, whether it be the better or the worse. Of necessity there must be the *implied* or the *agreed* currency in which every transaction is made, and the implied is always the least valuable of the two.

AN INTERNATIONAL RATIO PRACTICABLE.

I have stated that there was nothing sacred in the ratio of 16 to 1. The history of the metals has shown a continuing variation in the ratio. Time was, it is said, when grain for grain, silver was more precious than gold. If it be a fact that the ratio of 16 to 1 is not a sound one, and it is claimed by the best students of finance in the world that whatever it may have been in the past it is not to-day, what sound reason is there why we should not endeavor to find the true ratio and establish it anew. England, France, and Germany have a gold standard, and will not assent to a bimetallic system upon our basis. I do not admit, and the whole discussion of the subject in monetary conventions, by financiers and economists the world over, does not warrant the admission that a ratio may not be found which the great commercial nations will adopt if the subject is approached, not with a determination to force our own preconceived ideas, but with the serious purpose of finding and declaring a real fact. The closeness of commercial intercourse has made the whole world more willing than ever before to come together upon common interests. What we have accomplished in relieving the embarrassments of commerce, in facilitating intercourse through international postal connections and otherwise, is the assurance that patience and a disinterested purpose will in due time bring about the desired result.

Silver pools may not be able or willing to wait; but the great mass of our people, pursuing their own occupations, fearful of disturbance of the even flow of the greatest commerce the world has known, are more profoundly interested in the right solution than the quick solution of the matter.

HURT FROM CRIPPLING FOREIGN COMMERCE.

I know it is the custom to make light of our foreign commerce, great as it is, in comparison with our domestic commerce, but it should be remembered that the commodities which make up our foreign commerce form a large proportion of our domestic commerce; and whatever enters into the money value of any article of foreign commerce adheres to it through all the channels of domestic commerce.

When we remember that all the wheat, cotton, tobacco, pork, the tea, coffee, sugar, dry goods, or other commodities which we sell to or buy from foreign nations, and which in their distribution form a large proportion of our domestic commerce, are compelled to bear to the last cent the burthen which we impose on international commerce, the direct personal interest of every consumer or producer in the case, and freedom of international exchange is apparent. A demand for free coinage is sometimes predicated upon the idea that somehow or other, in a way that is not defined, the present standard is in the interest of accumulated capital. The silver dollars are said to be the money of the people who handle small amounts, and gold the money of the rich. Why the laborer, the tradesman, or the farmer want a depreciated dollar, one which in use adds to the cost of everything he buys, is difficult to understand.

But the position is an unworthy one, and unsound to the last degree. It fails to recognize the fact that in a country whose great staples are annually measured by hundreds of millions in value, the foreign market, the large operator and exporter, are necessary factors. It is only by the largest operations in our wheat, corn, or cotton that the markets of the world can be reached and supplied. The farmer who has but a hundred bushels of wheat has a direct interest in the existence of the man who can buy and store or export thousands of bushels. The man who raises but a dozen bales of cotton has need of the merchant or dealer who can buy or store or ship thousands of bales. General monetary disturbance which cripples or burthens these larger transactions in the great staples comes back to depress their price on the remotest farm or plantation; and the converse is equally true. Whenever the larger commerce of a nation is prosperous, its prosperity will reach to the remotest hamlet in full measure.

There never was a time in the history of this Government when the solution of economic questions has been fraught with such important results for weal or woe as at present. In the past, strong and vigorous with youth, with a ready market for our great staples, without serious competition, we have survived many mistakes that would have ruined a less virile nation. But anyone who is not blind to the signs of the times can not fail to see that the time is very near, if, indeed, it has not come, when this nation must divest itself of every weight and strip itself of every incumbrance in its contest for a market. Already the construction of railways in India, Australia, in Egypt, in western Canada, in the Turkish provinces, and in Russia, aided by improved and cheapened transportation on the ocean, have enabled these countries to market their products in continental Europe alongside of ours

from the great West, lowering prices, and to a great degree supplying the demand. To the grower of wheat, or corn, or cotton, or tobacco it was never so important that every disturbance of international commerce should be avoided; that every burthen of discount and exchange in our country should be removed by the adoption of the world's money as our standard, holding our silver to be used only within the strictly safe limits of absolute convertibility.

What is true of the great staples is still more necessary for the prosperity of our manufactures, a prosperity upon which every wage-earner is dependent. Hitherto our manufactures have grown and developed upon a home market, made almost exclusive by a liberal, perhaps a too liberal, tariff; but we must come to a standstill, unless after supplying the home market we can enter upon even terms, with our surplus, the markets of the world. These are hard facts, apparent to every observer of American production and of national and international commerce. Under the wild fury and passion of silver worship we may ignore the laws of nature, but they will exact the penalty for their infringement.

A PERVADING CONSERVATISM.

I believe that there is a sound, conservative sentiment to-day pervading the great mass of both political parties upon this subject.

What is everybody's business is nobody's, is an old truism. It is essentially true in politics. Only on great occasions does that quiet sentiment become organized and find expression. In the ordinary course of political action it is too frequently overlooked, as each political party in its turn has had reason to find out.

I think it will so prove in the currency legislation. This expression which I have endeavored to make on behalf of the merchants of St. Louis is of that character. It comes from Western men who have grown up in the West and with the West. They know its needs. They think they know how far legislation upon this subject is necessary, is wise, is salutary.

It is not a new sentiment in Missouri which this memorial expresses. The pervading sentiment on questions of this character has always been sound. In the decade before the war, when a wild and reckless system of banking seemed to have taken possession of many of the Western States Missouri stood apart. In a far-reaching trade her merchants were compelled too often to deal on the basis of a depreciated currency, but they knew how to calculate the equation of real value and adjust their transactions upon a real basis. Missouri bank notes were always gold.

The voice which for 30 years in the other wing of the Capitol expressed the convictions of her people and earned for Benton the familiar title of "Old Bullion Lion" is silent, but the sentiment he represented was and still is rooted deeply in the hearts of her people.

I thank you, gentlemen of the committee, for your attention.

The committee took a recess of 20 minutes, after which Mr. Leighton continued.

Mr. LEIGHTON. I have no hesitation in saying that I know a number of parties in St. Louis who are interested in silver production, but they are more largely interested in commerce and manufactures generally of the country, and they have admitted to me over and over again that while they were not in position to oppose this measure they considered it insane and unsafe in the very highest degree.

ILLUSTRATIONS OF GRESHAM'S LAW.

Mr. WILLIAMS. You think that the value of silver bullion would be the same as if there was no legislation providing for its coinage?

Mr. LEIGHTON. No, I would not say its value would be the same. I do not say that coinage does not have an influence upon it. Unquestionably the use of silver as a money does give it a value. The making of it a legal tender would have a decided effect on it beyond that of mere bullion, but we have seen in this country that when there was a difference of between 2 and 3 cents in the value of gold and silver that one was driven completely out of circulation. You will recollect, as a matter of memory, how our gold coin passed out of circulation from 1792 to 1834 at a ratio of 15 to 1 of gold and disappeared until it came in again, and silver disappeared by a change in ratio of 16 to 1 in 1834 to disappear as money during inflation.

OWNERSHIP OF GOLD.

Mr. WALKER. I desire to ask your opinion on some points which have been presented. On much of the testimony given before the committee it has been assumed or stated that the commercial men, or the bank men, or "gold bugs," as they are called, have an interest in this silver question that is different from or antagonistic to that of the wage-workers and farmers of the country.

Mr. LEIGHTON. I can not see how that is possible. I cannot see why everybody in the country is not interested in the smooth course of commercial intercourse. Any disturbance of it serves to congest commerce, and the congestion is carried back to the wage worker and farmer, in fact to the smallest rills which contribute to make it.

Mr. WALKER. There is a good deal said about persons who own or control the gold, and from your experience and knowledge of this matter I would like a statement from you as to who does own it.

Mr. LEIGHTON. I do not know. I do not own any of it, and I do not know who does.

Mr. WALKER. Is it controlled by any class or set of men, bankers, or individuals?

Mr. LEIGHTON. I do not know that it is. The capital employed in the commercial transactions of the country is measured in gold—on a gold basis. While gold is used as a standard, the actual gold is not handled or possessed, so far as I know, by any of them, unless it be by the actual dealer in foreign exchange, or by the banks that hold it as a part of the reserve open to the "demand" of anyone, as required by the banking acts. It is in actual money use less in this country than in any country having a gold standard. In countries like England, France, and Germany gold is in the hands of the people as change money in a great degree as paper is here.

Mr. WALKER. It may be freely gotten here by anyone asking for it, and, therefore, why is it not in the control of the people the same as in the other countries?

Mr. LEIGHTON. It is. In the other countries it is actually in the hands of the people.

GOLD, SILVER, AND CREDIT.

Mr. VAUX. In the paper which you read (and which was exceedingly interesting to me), you spoke of the trade from the Mississippi to the Pacific, and I will ask you if that trade is not carried on by credit?

Mr. LEIGHTON. All trade and commerce is carried on by credit.

Mr. VAUX. Is it not in fact carried on by bills of exchange, drafts, and notes?

Mr. LEIGHTON. It is by bills of exchange, drafts, notes, and all forms of exchange used as substitutes for money.

Mr. VAUX. The sums of money involved in this business are, after all, transferred on this paper?

Mr. LEIGHTON. It is a system of bookkeeping; it is a transfer of credits. If you bring together 50 men, or 50,000 men, they might tell you how much money they had in their pockets, not \$50 on the average. If you go to the banks where they keep it, the banks might not have 25 or 30 per cent. of it as compared with its deposits. The idea is that the bank must be able to provide for its depositors in turn, as experience has shown their demands will be.

Mr. VAUX. That credit is based upon something?

Mr. LEIGHTON. It is based upon capital; it is redeemable in positive values.

Mr. VAUX. It is measured altogether by gold?

Mr. LEIGHTON. Ultimately it is. The Missouri banks were always on a gold basis.

Mr. WALKER. You mean throughout the war?

Mr. LEIGHTON. They were, theoretically. When the war broke out the notes came in and were redeemed, and no more were issued under the law. In order to preserve their charter, if they had issued any notes, they would have been redeemable in gold. The point I wanted to make was this: That in Illinois, and other western States, under the system of what was familiarly called "wild-cat banks," or banks whose issue was predicated on State securities, the currency so secured by State bonds became greatly depreciated from 1856 to 1859. It was necessary for the banks and commercial houses to keep two accounts, a cash account in gold values and a currency account, and whenever prices were made they were made by calculating gold values in currency and were payable in currency or cash. When I say currency, I mean these depreciated bank notes of the banks of Illinois and Indiana, which were predicated on States bonds, and were at a discount sometimes of 15 or 20 per cent.; but many of them never below 10 or 15 per cent. It formed a part of the actual currency which was employed in commercial affairs, but its discount was recognized, and prices were made accordingly to the very great loss of farmers and all producers.

Mr. VAUX. Suppose, for the sake of argument, that the free-coinage bill were passed—would it stimulate the value of silver; that is to say, would it increase the value of silver, and would that have any effect upon determining the value of credit?

Mr. LEIGHTON. I can not see how it would have any permanent effect in the slightest. It might put it up slightly for a short time.

Mr. VAUX. If, then, there was a coinage act by which we had two moneys, money of gold and money of silver, of the same nominal value, by which standard would credit notes and bills of exchange be measured?

Mr. LEIGHTON. The implied currency named in the obligation would always be the less valuable. A man would have the privilege of paying in the least valuable currency.

Mr. VAUX. It could not effect the use of these papers?

Mr. LEIGHTON. I can not understand how it would in the slightest degree.

WAREHOUSE RECEIPTS AND CERTIFICATES.

Mr. WALKER. There have been complaints made of the schemes that have been introduced to utilize silver as money; that it was treating silver like a commodity, and these silver certificates would be practically warehouse receipts. Is it not a fact that all the money of the world; for instance, sterling exchange, bank bills, or anything else, is practically a warehouse receipt, calling for a certain weight and fineness of gold.

Mr. LEIGHTON. I take it that anything of that kind, a gold certificate or a silver certificate, is simply a convenience to prevent the handling the title of it. It is easier to carry \$10,000 in certificates than it is to carry \$10,000 in bulk. That is true of both gold and silver.

Mr. WALKER. It is simply a transfer?

Mr. LEIGHTON. It is transferred by check payable to bearer.

Mr. WALKER. A warehouse receipt in the same thing?

Mr. LEIGHTON. In essence. It is customary in the large commercial transactions of the world. In foreign countries having large deposits of iron, certificates are issued representing iron in the actual pile. Those certificates may flow through fifty or more hands before they are presented for a cargo of iron they represent to be shipped.

Mr. WALKER. The criticism that it is used as a warehouse receipt is true of money itself, and is a matter of convenience?

Mr. LEIGHTON. It is precisely the same thing. It seems to me the use of certificates is for convenience in handling, to save counting, and the abrasion, which comes from the handling of coin money in bulk, and in transportation.

FORCE OF GRESHAM'S LAW.

Mr. WALKER. For the purpose of enabling me to come to a conclusion, I will ask you whether, in our experience of the past, free coinage would drive out gold, and whether it has ever occurred anywhere in the world, that a ratio of coinage different from the commercial ratio, has been maintained so that the two metals interchanged and circulated in common?

Mr. LEIGHTON. I have never heard or known of such a case, except in cases where there was a limitation in the coinage, so that it merely supplied the vacuum, and the cheaper was redeemable in the more valuable.

Mr. WALKER. I do not mean as token money, but I mean where the two metals have been maintained.

Mr. LEIGHTON. I do not believe it is possible that two moneys of absolutely different commercial values can circulate interchangeably unless one is redeemable in the other.

Mr. WALKER. I want to come down to the inherent and essential idea of coin; and I will ask you if it is not a fact that in all the nations in the world the essential idea of a coin is its use as a measure of value, and that if it is convertible into anything, that fact is the destruction of the essential property of its value as coin?

Mr. LEIGHTON. Yes, sir; I think that is true; although you state the proposition a little too broad. The standard of value in the whole civilized world, or in the advanced parts of the world, is unquestionably gold. In the less civilized countries, in the domestic and local interest, silver may have a place; but in every product of civilized countries—I mean the advanced commercial nations—the price of everything, internal as well as external, must ultimately be regulated by the value of gold.

GOLD THE MORE STABLE STANDARD.

Mr. CARTER. Which of these metals has a fixed and recognized value the world over?

Mr. WALKER. Which is used to measure value for everything?

Mr. CARTER. Does the law of supply and demand regulate everything according to the value of gold?

Mr. LEIGHTON. I think it does.

Mr. CARTER. Judged by that law, has gold, during the world's history, been as reliable as silver?

Mr. LEIGHTON. I think it has been subject to less spasmodic and temporary influences. I do not mean to say that gold has always maintained precisely the same value, for we all know it has not.

Mr. CARTER. Can you cite any parallel in the production of silver, anywhere in the world's production, equal to what gold was from 1848 to 1860?

Mr. LEIGHTON. I am not familiar enough with the statistics of silver production to state that; but relatively the production of silver from 1870 and following approximated that. I mean to say that the discovery of gold in Australia and California increased the gold supply much more rapidly than ever before. In 1869 and 1870, following the discovery of silver in Nevada, the supply of silver increased over what it had been for previous years very largely.

DESIRABILITY AND PRACTICABILITY OF INTERNATIONAL AGREEMENT.

Mr. CARTER. Inasmuch as it is desirable to have coin based on certain unvarying supplies, and since experience has shown that alternately the supply of gold and silver has been increased, but not simultaneously, can you see any good reason why both should not constitute a more unvarying standard than one?

Mr. LEIGHTON. I am a bimetallist. I believe in the use of both metals; but I believe that free coinage would not tend to the use of both, but to the use of one, and that one would be silver.

Mr. CARTER. Your objection to the free-coinage bill before this committee, is that in your opinion it would tend to cause the hoarding or exportation of gold, and the replacement of that hoarding would be done by silver dollars?

Mr. LEIGHTON. Yes, sir; in a degree. I believe the two can not freely and without permission circulate together.

Mr. CARTER. How, then, do you reconcile that with your former statement that you are a bimetallist?

Mr. LEIGHTON. I believe that it is possible by international agreement to reach a basis upon which the commercial demand will be so arranged, covering all the commercial nations of the world, that such an arrangement would tend to preserve that standard; a thing which I do not think any one country alone can do.

Mr. CARTER. Then the balance can only be sustained by positive law or commercial treaty?

Mr. LEIGHTON. Yes, sir; only within limits. I do not think that even a commercial agreement could maintain it, if in future the production of either silver or gold should phenomenally increase and the other remain stationary. It would topple over.

Mr. CARTER. Then bimetallism can only be made practical in commercial transactions, in your opinion, by ascribing to one or the other of the metals some of the attributes of fiat money.

Mr. LEIGHTON. I do not know that I understand your question fully. If I do understand it, I think the equilibrium is preserved by giving a broader and more extended field for its use, and when that field extends to the whole civilized world, I think it reaches a field so large, so broad, and so extensive, that nothing but an unusual production of one only would disturb that equilibrium. There may be a great difference in the relative production of gold and silver in Montana, and when Montana and California are put together there might be an average of both gold and silver that would approach a ratio in which interchangeability would exist.

Mr. VAUX. I think in the paper you read you said that you thought that in process of time all the commercial countries would come to an understanding as to the standard of ratio of gold and silver.

Mr. LEIGHTON. I say there is no reason yet for deciding that there will never be such an understanding.

Mr. VAUX. It has not yet been determined to the satisfaction of all of them.

Mr. LEIGHTON. I simply give my individual judgment, that when the thing is approached in the right spirit, without any preconceived ideas, but with a view of reaching a judicial conclusion, if I may so express it, I think it can be done.

Mr. VAUX. And you further said that there was nothing sacred about the ratio as it stands now.

Mr. LEIGHTON. I can not see where it is. I think there has been a mistake in the whole legislation of the past few years, in the idea that there was a sacred relation that must be maintained under any circumstances.

Mr. VAUX. I think that is important. If such an understanding can be had between the nations, we will have a solution of the question.

Mr. LEIGHTON. I think that is the only way of solving it.

Mr. VAUX. You put fact before theory?

Mr. LEIGHTON. Yes, sir.

Mr. WILLCOX. If the commercial nations of Europe would remonetize silver, would that remove the objections to free coinage?

Mr. LEIGHTON. That proposition is too indefinite. If the great commercial nations of the world were to unite in establishing the coinage of silver on a common basis, as to its relation to gold, I think it would, unless in future there was some extraordinary development of silver or of gold which would have a tendency to disturb their relative value.

Mr. WILLCOX. If those countries should agree upon a ratio——

Mr. LEIGHTON. They would have to agree upon a fact. If, in the course of nature that fact was disturbed by the discovery of another California or Australia, in the long run it would disturb the equilibrium between them.

Mr. WILLIAMS. If legislation has had anything to do with equalizing either, would it not be fair to put them on an equality, so far as our country is concerned?

Mr. LEIGHTON. I do not think legislation here can do much in the way of determining that. It rather declares than determines it. It is determined by other considerations than legislation.

SUPPLY OF AND DEMAND FOR MONEY.

Mr. WILLIAMS. Would gold be the same without coinage?

Mr. LEIGHTON. You are assuming something that it is impossible to assume. I do not think it is possible to assume that gold is ever going

out of coinage existence as a money metal as long as civilization exists, simply because civilization has caused it to be used as a money metal. There is nothing to take its place, and we can not reconstruct the whole of civilization. It has grown up in this way, and you are assuming too much to assume that it is possible for it to go out of use.

Mr. WILLIAMS. I understood you to say that the value of metals depended upon the supply and demand. Would the free coinage of silver not increase the demand for it?

Mr. LEIGHTON. I do not think it would increase the demand for it beyond the point of the amount necessary for money for the use of the people and for commerce. There is a point when there is enough money, and beyond that I do not see that it can be used for the purposes of money.

Mr. WILLIAMS. How can you tell where that point is?

Mr. LEIGHTON. We can tell empirically by ascertaining the course of business in the country. It must be found out by experience. I do not think there can be any figuring it out. I think there is a great amount of nonsense in these per capita figures. A country like France coins money and the people put it away, to a degree probably that does not exist in any other nation on the face of the earth. They use coin money in France out of proportion to any other civilized country.

Mr. WILLCOX. Is there a demand for a larger volume of money?

Mr. LEIGHTON. I can not see any legitimate demand, or where it comes from. I think there is no better evidence that the supply is sufficient than the strain of last November and December, under a condition of affairs which probably never will occur again in a generation. There were serious injuries to some who got between the upper and nether millstones, but I do not think the country suffered.

A great abundance of money in existence anywhere is a great temptation to over-lending, over-trading, and tying up capital in questionable enterprises. In other words, there is no greater temptation to which an individual or a bank is subject than when they have an abundance of money in June, July, or August to let it out on 4 or 5 months' loans, when they ought to have it all in hand in September and October. It is like a man lending his overcoat in December to be returned the 1st of March. Every wise banker keeps the fact in mind that there are times when the stress is strong for money, and there are other times when the stress is light, but abundance of money at any time is a temptation to let it out injudiciously when it can not be gotten back in time.

Mr. VAUX. Men must be called upon to make good their loans.

Mr. LEIGHTON. If you call upon a few at any given time all is well, but if the call is made on a great many men at the same time there is great distress. If tobacco, corn, cotton, wheat, or any thing else is obliged to be pressed for sale, prices suffer, although the man owning them may have ample collateral, measured by all considerations of value.

EFFECT AND FEAR OF FREE COINAGE.

Mr. WALKER. Is it not a fact that in international commercial dealings, exchanges are made in one universal denomination of money, whatever may be the coinage of the country, and that "sterling exchange?"

Mr. LEIGHTON. Everything must resolve itself into the value of gold in London—that is in "sterling exchange."

Mr. WALKER. In the light of the history of the country, in reference to silver and gold, from 1792 to 1834, is it conceivable to you that leg-

isolation which would give to us free coinage in this country alone, should materially affect the commercial price of silver the world over?

Mr. LEIGHTON. It is inconceivable to me that it should materially affect it. The first effect might be a little "spurt" in price which would very soon drop back to the proper and normal level.

Mr. WALKER. Does it not follow that we should and must necessarily reach a silver basis?

Mr. LEIGHTON. I do not understand why there should be any other conclusion. It would surely be a transfer from our present gold to a sure silver basis.

Mr. WALKER. Do I understand you to mean by that that silver would be shipped here or gold would be shipped away?

Mr. LEIGHTON. The standard money is something totally different from the actual money used. We might transfer the standard while we might still use paper or gold. Gold might be accumulated and still remain in the country. I believe it remained here during the whole of the late war, but at a premium. It is not necessarily shipped away.

Mr. WALKER. Have you seen any indications in your business or in your bank of the using of notes or bonds payable in gold in any part of the country, and have any such been received by you; that is to say, have you seen evidence of such commercial timidity?

Mr. LEIGHTON. I have within a very short period. I happen to know of several recent issues of bonds, which would not have ordinarily been so issued, that were made gold bonds, and this has been within a month. There came before me in the ordinary course of business a little matter which impressed me very strongly. It was the case of some notes from a Texas bank to one of its correspondents in St. Louis. I noticed that those notes were very short, only 3 or 4 months' notes, and they were made payable in gold. That would not have surprised me if it had been an individual case. They had "Payable in gold coin of the United States," printed in them.

Mr. WALKER. That would indicate that that system had been deliberately adopted, and was being used there?

Mr. LEIGHTON. It would indicate that, as they were offered by a Texas bank for discount. I do not know how general that is, but it illustrates that they were getting to the windward on the threat of free coinage.

Mr. WALKER. Is it not a fact that that is the case on the Pacific slope?

Mr. LEIGHTON. I really do not know.

Mr. WALKER (to Mr. Carter). Do you know?

Mr. CARTER. That is so to a considerable extent.

ACT OF 1890.

Mr. WALKER. I want to ask you if there is any device which occurs to you, or that you have heard suggested in your associations with men who are experts, that is safer or that will any more fully accomplish the full use of silver, as money on a par with gold, than is accomplished under our present system, the law of July 14, 1890, of issuing notes and holding the silver bullion—I mean until the nations can determine and unite on the proper ratio for universal free coinage?

Mr. LEIGHTON. It seems to me that until that time comes, that our present use of silver is the only safe way in which the Government can afford to use silver as money, because the Government is then in a position to correct any mistake without loss; that is, to agree upon and correct the ratio. If it became necessary to correct that, the Govern-

ment would be able to recoin its silver money it now has without great loss.

Mr. WALKER. With the Government taking all the silver mined in this country and holding it, as it does now, is it conceivable as a commercial proposition that changing from the present method to coining silver for its owner and turning it out to its owner to be by him thrown into circulation, would not have a tendency rather to depreciate the price of silver from its present market price?

Mr. LEIGHTON. That is a proposition I should want to think about before answering.

Mr. WALKER. In the period of which I have spoken—that is, from 1792 to 1873—we have tried twice in this country coining silver out of its commercial ratio to gold.

Mr. LEIGHTON. We can not tell what is going to be the result exactly of any financial measure, as it depends frequently upon a great many considerations. I think we can only determine that the tendency would be unfavorable to the price of silver, or in a dangerous direction.

Mr. WALKER. Would not that be the tendency?

Mr. LEIGHTON. I am inclined to think it would be. I am inclined to think, in regard to this whole matter of free coinage, that the danger is (without undertaking to say just what its effect would be in retaining silver where it is or enhancing it) that it would disturb the conditions which at present exist and which are to day entirely satisfactory. You may say as much as you choose in regard to the advance of the price of silver, but a great many people think the free-coinage gun is loaded and they do not want to stand in front of it when it goes off.

ACT OF 1878.

Mr. WILLIAMS. They thought that in 1878.

Mr. LEIGHTON. I thought there was danger then, and that was the position of cool financiers. Few people thought in 1878 that a revolution was going to occur from the Allison-Bland act. The violent opposition was to the Bland act, which did not pass. They thought the Allison act, which became a law, was in the line of danger, and I believe it was. I do not think there is any evidence to-day to show that it was not in a dangerous direction. It is not safe to see how near you can go to the precipice without falling over it when nothing can be gained by so doing.

Mr. WILLIAMS. Do you think we would be in a better condition without it than with it?

Mr. LEIGHTON. I would not state it in that way. I say the country might have been in a better way if silver coinage had not been entered upon at that time. Probably other different and safer financial measures would have been inaugurated, affording full as much currency. It is folly to say what they would not have been, or that the Government would not have profited by remaining on a gold basis.

LOSS TO PRODUCER AND CONSUMER THROUGH UNSTABLE CURRENCY.

Mr. WALKER. I want to ask you whether, with a coinage or measure of value that is held to fluctuate, and with another which is held to be stable, if the coin held to fluctuate will not necessarily cause an increased cost to the producer of all products a great deal larger than by using a measure of value which is held to be stable. The result of it would be that what the farmer produced would cost him a great deal more when returned to him in a form to be consumed.

Mr. LEIGHTON. I think there is no question about it. I think there is nothing truer or more often overlooked in legislation for the mass of the people than the fact that in the long run every burden has to be borne by the producer who is also the consumer, and that they have to pay a premium on the risks besides. Men engaged in commerce will always protect themselves. They are compelled to charge a premium on every risk they take, and always make the premium more than enough to cover the risk. To illustrate just what I mean, I may say that at times during the war gold was very active, and it was jumping up or down one or two points at a time. It might change four or five points in a day. The man who dealt in it bought at the lowest and sold at the highest price. He could not take the risk of buying at the quotations of the hour, as it might go up or down two or three points before he could get rid of it. All products followed the same law. There is always something additional charged for the risk. The same as in fire insurance or life insurance, because the premium which would balance the exact loss would make a very unstable company. A company must be prepared for great shocks and epidemics. It must have something more than that which represents the strict average loss. The merchant is obliged to do the same.

Mr. WALKER. Is it not a fact that the business community know by experience that these large sums, in the aggregate, which you have just indicated as being taken by the middlemen out of the producer and consumer before the articles get back to the consumer, and that the fluctuations in the main injure most the consumer?

Mr. LEIGHTON. I think that is the result.

Mr. WALKER. Is it not almost universally the result?

Mr. LEIGHTON. I think so.

IMPRACTICABILITY OF UNITED STATES FIXING RATIO.

Mr. WALKER. I will ask you if there is any class, distinguished from any other class of the community, which did or could have profited by the passage of the law of 1873 that demonetized silver, and is it ascertainable that any class did so profit?

Mr. LEIGHTON. I do not think so. At that time it was the universal feeling and a recognized fact that silver had gone out of the money of this country.

Mr. WALKER. And that it had gone out since 1834?

Mr. LEIGHTON. Yes, sir; since 1834.

Mr. WALKER. Can the Government fix the value of any product—gold, silver, or any other product whatsoever? It may make it receivable by law, but can it fix the value of it?

Mr. LEIGHTON. The Government can make coin a legal tender, which simply provides for the existence of it at the time. Transactions will adjust themselves and adjust values. I do not think that law can affect it excepting as a temporary matter.

Mr. WALKER. It appears that there are 800 millions of people who use silver and 272 millions of people who use gold and silver, but practically gold. You have answered the question before in several ways, but I want to ask it in a new way. Is it probable that if silver is given free coinage in this country alone it would materially affect the commercial price of it?

Mr. LEIGHTON. I do not see how it could. Do not understand me as stating it arbitrarily. I think it might somewhat; but I can not see any reason why it should affect it to any considerable degree.

POPULAR IMPORTANCE OF HIGH CREDIT.

Mr. WALKER. In view of the fact that, by the interest tables, which are entirely reliable, on a 20 years' loan at 2 per cent. a man can borrow \$4,386 and pay the same sum at the end of 20 years as if he borrowed \$1,000 at 10 per cent.; and for a period of 10 years he could borrow \$2,134, or on 5 years \$1,598, and pay the same as though he borrowed \$1,000 at 10 per cent. Is it not of vastly more consequence to the farmer, the wage worker, or anybody who wants to borrow a little money, to have a high degree of credit and confidence rather than cheap money.

Mr. LEIGHTON. I think nothing is more certain than that, and that the farmer and producing classes are interested in anything in the shape of a certain standard of value and absolute security which gives necessarily a low rate of interest.

Mr. WALKER. From your experience, do you think, if we should come to a silver basis, silver being held as more fluctuating than gold, the tendency would be in the other direction, owing to the higher the risk that capital would take?

Mr. LEIGHTON. Yes, sir.

DANGER IN PRESENT USE OF SILVER.

Mr. COMSTOCK. I would like to know the opinion of the business world as to the amount of silver we are adding to our circulating medium at this time. Last year we coined \$21,413,921 in gold. Presumably we are coining about the same this year. We will add this year between \$65,000,000 and \$70,000,000 of silver. Is it or not the opinion of the business world that we are adding silver to our circulation as fast as it is safe to do it?

Mr. LEIGHTON. I do not know but we are adding it faster than it is safe to do it. It is my judgment that we are. In the present condition of things a silver basis is inevitable if we keep on.

Mr. COMSTOCK. Your judgment is that we are already adding silver too rapidly?

Mr. LEIGHTON. We are on the road to trouble now.

NONPARTISAN OPPOSITION TO FREE COINAGE.

Mr. TRACEY. I understood you to state that the persons whom you represent, and who allege that there should be no further legislation on silver at the present time, do not all belong to any one of the great political parties?

Mr. LEIGHTON. I think that is true.

Mr. TRACEY. From your section of the State?

Mr. LEIGHTON. I do not know but what I can state with absolute safety that there are more Democrats among them than Republicans. The feeling is nearly universal in St. Louis.

Mr. LACEY. You think those persons are united in their opinion?

Mr. LEIGHTON. I think they are.

Mr. WALKER. It has been testified here that there have been millions of communications sent out by the silver people; that 8,000 petitions have been sent out, and 82 have been returned. Do you believe that the people of the country have had both sides of this question presented to them; and do you believe there is a demand for the free coinage of silver from your people who know both sides?

Mr. LEIGHTON. I am only stating an individual opinion, but I do not believe that there is. I believe this talk about the demand of the peo-

ple for free coinage is all bosh. I think there is no such demand. I do not believe it exists. I think it is the manufactured appearance of a sentiment which does not exist in fact. I speak only for those with whom I come in contact.

DANGER IN PRESENT USE OF SILVER.

Mr. COMSTOCK. Under our legislation we are now adding more than double the amount of silver to our money that is added by any other nation on the face of the earth, including India. Is that true or not?

Mr. LEIGHTON. I am not prepared to state. When I said that we were drifting in the direction of a silver basis I referred to the fact that if anything should occur by which the international exchanges should be decidedly against us gold would have to go to a premium or from this country. Gold coin may go; silver may go as bullion, but silver coin can not go as long as you give it a power in law above its normal power, which keeps it at home.

Mr. COMSTOCK. The silver coinage of the world for the last year was \$134,000,000, and that for the year before was \$132,000,000. The United States is now adding to its money more than half the entire amount of the silver coinage of the world?

Mr. LEIGHTON. Yes, sir.

Mr. WALKER. Is it not a fact that the moment coin leaves any country that it leaves it only as bullion, and is dumped into the pile of bullion in the country to which it goes?

Mr. LEIGHTON. That is true, and that is the reason I said that gold can go as coin or bullion, the value being the same, and in settling balances it is worth as much in bullion as in coin, while silver is worth more as coin than it is as bullion, so long as we give it an artificial position as token money in our domestic commerce. Gold coin may decrease, but silver coin can not decrease when overvalued.

Adjourned to meet to-morrow (Wednesday) evening, February 11, 1891, at 7:30 p. m.

ADDITIONAL STATEMENT OF FRANCIS G. NEWLANDS.

Mr. Francis G. Newlands addressed to the committee the following in supplement of his statement of February 4, 1891:

UNIFICATION AND ELASTICITY OF CURRENCY WITH FREE COINAGE.

1603 MASSACHUSETTS AVENUE, WASHINGTON, D. C.,

February 10, 1891.

GENTLEMEN: Before concluding my remarks to your committee on the 4th instant I gave way to gentlemen from abroad who were anxious to leave. As it is improbable that the pressure which is upon you from the various chambers of commerce will permit you to hear me again, I beg leave to conclude what I have to say by adding the following views with reference to a gradual expansion of our currency, in order simply to maintain our present per capita, to unify our currency, and also to render it more elastic, so that it can meet financial emergencies.

I would also request that these views be printed immediately following my former remarks.

Let me state, as preliminary, that the Director of the Mint, in a recent report, says that our circulation on October 1, 1890, was as follows:

Gold (coin).....	\$386,939,723
Gold (certificates)	158,104,739
Total gold.....	545,044,462
Silver (standard silver dollars).....	\$62,132,454
Silver (subsidiary).....	56,311,846
Silver (certificates).....	309,321,207
Total silver.....	427,765,509
Treasury notes, redeemable in coin, issued in pursuance of the act of July 14, 1890.....	7,106,500
United States notes, greenbacks, backed by a reserve of \$100,000,000 gold in the Treasury.....	340,905,726
National Bank notes.....	177,250,514
Total note issue.....	525,262,740
Grand total	1,498,072,709

It will be observed that, in addition to the gold above referred to as in circulation, there is a reserve of \$100,000,000 of gold in the Treasury which is not in circulation, thus making in all \$645,044,462 of gold in the United States.

The total amount of silver in the country in standard dollars, subsidiary silver, silver certificates, and silver purchased under the act of July 14, 1890, amounts to \$434,872,007.

NATIONAL-BANK NOTES.

The national-bank notes are being retired at the rate of \$30,000,000 annually, because the banks find it more profitable to sell their bonds than to maintain their note issue, and the sentiment of the country is against extending their facilities for note issue.

PER CAPITA CIRCULATION.

According to Director Leech's statement the per capita circulation of France is \$57.36; of the United States, \$22.36. As our population is increasing at the rate of at least 3 per cent. per annum, it will be necessary, in order to maintain the existing per capita of \$22.36, to increase our money volume \$50,000,000 annually. Adding the \$30,000,000 annually necessary to take the place of national-bank notes which are being retired, we find that in order to maintain our present per capita it will be necessary to increase our money volume at the rate of \$80,000,000 annually. This creates no expansion whatever, but simply maintains our existing per capita.

Should we wish gradually and without too immediate an expansion to increase our per capita to even \$30, which is \$27 below the per capita of France, we will have to increase our money volume \$500,000,000, or at the rate of \$100,000,000 annually for the next five years. So it appears that to maintain our per capita just as it is we will require \$80,000,000 annually, and to increase it to \$30 will require an increase of \$180,000,000 per annum.

It is not necessary, however, to argue the necessity of an increase of our per capita circulation. The statement that, in order to maintain our present per capita, we will require an increase of \$80,000,000 annually, demonstrates the wisdom of free coinage, for we can not hope

to get more than that out of the world's annual product of silver, which is largely absorbed in the arts, and by the demands of India, China, South America, and other silver-using countries. Now, where are we to get this \$80,000,000? Can we get it from the gold mines? Statisticians agree that of the entire product of the gold mines, which is constantly diminishing, all but about \$15,000,000 per annum is absorbed in the arts and in dentistry. Think of it—\$15,000,000 only within the reach of all the nations of the world engaged in this mad race for gold!

Shall we utilize the printing press and grind out promises to pay gold uncovered by the gold itself, or shall we resort to the acknowledged money metal of the world for ages, which nature is now turning out rather abundantly, as if making an effort herself to avert a money famine?

Now, how can we, at the same time that we establish free coinage, unify our currency, backing it dollar for dollar by reserves of gold and silver in the Treasury, and secure an elastic currency which will give us a fuller currency when credit is impaired and fails to perform its proper function, so that values may be maintained?

UNIFICATION.

As to unification of the currency, I would largely adopt the views of Mr. St. John, president of the Mercantile National Bank of New York, who tells me that his views were only negatived in the chamber of commerce of that city, which is the very center of gold monometallism, by a vote of 14 to 11.

The best form of note which has been issued by the United States is that issued under the act of 1890, called the United States Treasury note, which, by its terms, is redeemable in coin. These notes can gradually take the place of the national-bank notes which are being retired. The issue of gold certificates should be stopped; the man who presents bullion at the mint for coinage should be compelled to take either actual coin or United States Treasury notes redeemable in coin. As a rule he will accept the latter, and the gold which he leaves will then stand in the Treasury as a part of the reserve backing the United States Treasury notes.

As to the gold certificates and greenbacks outstanding, provision should be made that as they come into the Treasury in payment of dues to the Government they shall be canceled and United States Treasury notes substituted in their places.

In this way the \$100,000,000 of gold, now held in the Treasury as a reserve to secure the greenbacks, will remain there as a reserve for the entire Treasury note issue; and a large portion of the \$158,000,000 of gold now lying in the Treasury, and represented by the gold certificates, will be turned into the same general reserve. As to the gold coin in circulation in this country, let that portion of it which comes into the Treasury of the United States for dues to the Government be retained as a portion of the general reserve, and United States Treasury notes be substituted and paid out in its place. Regulations should be devised similar to those prevailing in France, to prevent too great a drain of this gold from the Treasury.

In this way we would substitute for the five different kinds of paper money now in circulation one form of United States Treasury note, backed dollar for dollar by reserves both of gold and silver in the United States Treasury; and when the time comes that increasing population

and business demand—as they certainly will before many years—a money volume exceeding in value the actual coin, gold and silver, in circulation, as well as in the Treasury, we can make the gold and silver in the Treasury the basis for an uncovered note issue, such as now exists in England and France, and in the United States to even a greater degree than in those countries, for at present the uncovered note issue, in this country amounts, according to Mint Director Leach, to over \$400,000,000, as against one-fourth that amount in France and one-sixth that amount in England.

We shall thus expand our money volume to maintain our present per capita, and, at the same time, for a considerable period, maintain a system of United States Treasury notes which will not simply be promises to pay coin, but will be backed by coin actually in the Treasury.

ELASTICITY.

But as this system will not give us an elastic currency, how shall we provide for that? Under our present system our banks are financial cyclone breeders. When confidence exists, and credit is good, they encourage borrowers to take their money, but when the least financial cloud appears in the sky, whether in Europe or in this country, they decline to make loans, call in existing ones, and largely create the very panic against the consequences of which they seek to protect themselves.

In so-called good times, credit largely performs the functions of money, and with much greater convenience to the public; but when distrust and apprehension arise, credit fails to discharge its normal functions, and hence at such times the greater demand for more actual money. We have an illustration of this in the disturbance caused by the recent difficulties of the Baring Brothers. During the existence of these difficulties there was no reason why the wealth of this country should have been estimated at any less amount than before. Property and securities were really worth as much. There was no real reason why conditions here should have sympathized with the conditions in England, and yet, as a result of that disturbance, a wave of contraction swept over this entire country, credit was impaired, and more money was required. The efforts of the Secretary of the Treasury to relieve the money market by turning out the surplus money in the Treasury in the purchase of the United States bonds were insufficient. Money at one time could not be obtained in New York even on United States bonds. The banks of New York were practically in suspension, for they were obliged to deposit their securities with the clearing house, and receive from the clearing house certificates representing a percentage of the values deposited, which, by common consent among the bankers, were accepted as a legal tender. Thus an "emergency money" was created by the bankers themselves, which tided over the difficulty, and as the clearing house charged a liberal rate of interest upon these certificates, they were retired when their existence became no longer profitable.

Now, what we need in this country is some law providing for the creation of money, which I shall call, for lack of a better name, "emergency money," to fill the gap caused in times of financial panic by the withdrawal of credit, and the voluntary action of the New York banks in reference to the clearing-house certificates suggests a solution in the way of legalizing some such system and making the certificates themselves a legal tender.

The trouble with our present system is that it has no elasticity whatever. The mere expansion of the money volume does not increase or create elasticity.

A new issue of the money may meet a temporary emergency, but if it is not withdrawn it simply serves as the basis of a constantly enlarging credit, and when the next emergency occurs its function is found to be exhausted.

ELASTICITY IN EUROPE.

In England, Germany, and France the system is more elastic. In Germany I am told that the great bank there, which has the character of a national bank, is authorized, in times of emergency, to issue an almost unlimited amount of paper money, which is a legal tender; but a constantly increasing charge is made as the issue increases, in order that its retirement may be forced when the emergency is over, that is to say, when good times are restored and the profit made upon the money issued does not equal the charge made by the Government upon its issue.

It will be observed that this system works automatically, and that the charge imposed by the Government forces the emergency circulation into retirement when the crisis is over.

Why can not some such system be devised here? Would it not be possible to devise some method by which the associated national banks in cities aggregating not less than 200,000 in population, and having an aggregate capital of \$10,000,000, could issue, in times of emergency, with the consent of the Secretary of the Treasury, emergency money, which would be a legal tender to the extent of 50 per cent. of the bonds—national, State, and municipal—which they should deposit in the Treasury of the United States, the Government imposing upon each corporation or association a charge of 6 per cent. per annum on the first \$10,000,000 issued, 8 per cent. per annum on the next \$10,000,000, and so on? For the charge should be so high as to prevent its being called for except when a crisis is impending and to compel its retirement when the crisis is over.

Such a system would make impossible such conditions as have existed in New York when money was worth from 1 to 5 per cent. per day, and when the absolute destruction of values has either happened or been imminent. In such conditions the banks would gladly avail themselves of the power to issue this emergency money, whatever might be the charge imposed upon it. But I believe that the very existence of this power would often, without its exercise, avert a money panic, for the finances of the country would be saved from the disastrous action of two classes of people, the cautious, timid money owners and the wreckers.

RECOMMENDATIONS.

I believe that such a system could be devised within a week by a committee of competent men, if the following principles were laid down for their guidance:

First. That the mints of this country should be opened to free coinage of the product of silver from the mines, excluding by a mint charge the foreign silver coin and the bullion produced from it.

Second. That some easy method should be devised of permitting the national banks to reduce their circulation to an amount barely necessary for the maintenance of their existence as national institutions, and permitting them to retire their bonds.

Third. That the issue of gold certificates should be discontinued.

Fourth. That only one form of Treasury note, redeemable in coin, should be issued hereafter, and that whenever silver certificates, gold certificates, greenbacks, or national bank notes come into the Treasury of the United States, they should be canceled and the said Treasury notes substituted in their place.

Fifth. That provision should be made for the issue of emergency money to the extent of 50 per cent. of the value of securities, such as national, State, municipal, and railroad bonds, with the consent of the Secretary of the Treasury, in times of emergency, upon which issue the Government should impose a constantly increasing charge, so as to enforce their gradual retirement whenever the emergency might subside.

If these guiding lines could be agreed upon, a committee, with the aid and experience of Treasury officials and leading bankers of New York (such as Coe, St. John, and Stewart), as to the methods which were resorted to to tide over recent difficulties, could easily work out a solution in the shape of a satisfactory bill.

In conclusion I wish to say that I have not modified my views at all with reference to the entire safety of an unlimited free coinage of silver. I have no fear that the silver coins of Europe will be put in the melting pot and sent over here at a great loss as bullion; but as there seems to be some apprehension, which has been mainly created by the banks, upon this subject, I will add that I see no objection to limiting free coinage to the current product of the mines, provision being made for the identification of such product, in order to exclude the silver coins of Europe. I would not, however, limit the coinage to the product of the mines of the United States, for that would not be sufficient to give us the expansion we require. The total annual product of the silver mines of the world is only \$140,000,000. Deducting from this the amount required for the arts and by other silver-using countries, we would be very lucky if we were able to secure \$80,000,000 annually.

The emergency money provided for would also entirely negative the efforts of the gold men to create a panic by the threatened hoarding of gold.

Very respectfully, yours,

FRANCIS G. NEWLANDS.

The COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
House of Representatives.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Wednesday, February 11, 1891.

The committee met at 7:30 p. m. . Present, the Chairman (Mr. Wickham), Messrs. Walker, Comstock, Bartine, Taylor, Tracey, Willcox, Williams, Vaux, and Joseph.

PHILADELPHIA AND NEW YORK DELEGATIONS.

The following delegation was present representing the Philadelphia Board of Trade:

A. Parker Shortridge, chairman, merchant, retired; Frederick Fraley, president Philadelphia Board of Trade and of National Board of Trade; B. S. Janney, jr., wholesale grocer; Joel Cook, Vessel Owners' and Captains' Association; William R. Tacker, secretary of Board of Trade, and

member of Harbor Commission and of Board of Port Wardens; William M. Coates, wholesale wool merchant; and W. V. McKean, editor-in-chief of the Public Ledger, who attended by the request of the committee of the Board of Trade, but was not a member of that committee.

Also, the following delegation representing the New York Chamber of Commerce:

Charles S. Smith, president Chamber of Commerce; John Hurren Rhoades, president Greenwich Savings Bank; Alex. E. Orr; Henry W. Cannon, and John Sloane.

Speaking for the Philadelphia delegation, Mr. Shortridge said:

Mr. SHORTRIDGE. We are here representing a constituency of about 700 persons, embracing every branch of business in Philadelphia, and among them that of the largest manufacturer of locomotives in this country, and probably in the world. We come here instructed by the Board of Trade of Philadelphia, unanimously, to ask you not to pass this free coinage bill. In introducing Mr. Frederick Fraley, it is hardly necessary for me to say who he is. He is a man of national reputation, and is president of our Board of Trade. He has been president of the National Board of Trade ever since its organization in 1868, and has presided at every meeting until the last one, which was held at New Orleans, and which reëlected him president. There was sickness in his family and he was unable to attend that meeting. He has been connected with all the prominent business interests of the city, and is connected with them to-day. I can only say for him that he is probably as well posted in everything relating to our national affairs as any man in this country, and has been intimate with all of the prominent men of the country for the last fifty or sixty years. I now have the pleasure of introducing him to the committee.

STATEMENT OF MR. FREDERICK FRALEY.

FINANCIAL HISTORY OF UNITED STATES REVIEWED.

Mr. Chairman and gentlemen of the committee, I feel that the words which my friend, Mr. Shortridge, has spoken by way of introducing me to you are more than I can claim or deserve. I have been intimate with the affairs of our country for about 75 years and have witnessed the fluctuations and changes that have taken place in the country itself, and in the financial arrangements of the country during that time, and have seen the culmination of them up to the present time. The experiment of launching a new country upon the financial world was begun by Alexander Hamilton, when he established the financial system of the United States, and under his guidance the administration of General Washington established the Mint of the United States; and in connection with that financial institution organized a great national bank, which had its existence until the year 1810; and by the simple manipulations of the old mint of the United States and that first national bank of the United States, our currency system may be said to have had its origin and was placed on what in those days was considered a substantial and sound financial basis.

You will recollect that this organization took place about the time of the great Napoleonic wars which demoralized the whole of Europe, and the demoralization was reflected upon our own country to a very considerable extent. The supply of bullion in the mint of the United States was comparatively small, and the whole of the silver currency

in the United States, in my boyhood, consisted of a few dollars and half dollars, and the subdivisions of the half dollar, and the bulk of it was in the coins of Spain—the old Spanish milled dollar, and the subordinate coins of that currency. This old mint of ours put a few men to work at the hand-presses and struck some pieces of money which our people carried abroad simply to show that we had a national currency. In the year 1812 we were involved in war with Great Britain to reassert our independence, and that war brought us, as all wars do, to the suspension of specie payment; and during that demoralization of the currency of the country we issued enormous amounts of irredeemable paper currency. Such was the condition of our country that at the close of the war of 1812, by reason of our loss in the war and the irredeemable currency we issued, we were in a most lamentable condition.

It was near the close of the administration of President Madison when Mr. Dallas, then Secretary of the Treasury, recommended to Mr. Madison to incorporate a second bank of the United States, one of the chief functions of which was expected to be the restoration of the currency to a specie standard, and to put us again on the road to national prosperity. The restoration of the currency was not affected without a great sacrifice of time and money, and it came very nearly wrecking the second bank of the United States before the experiment resulted in success. The mint of the United States continued to perform its functions by turning out a comparatively small amount of the silver and gold coinage of the country, but under the arrangement of the currency and relation of gold and silver established by the coinage act of 1792, gold was unknown, I may say, in the ordinary transactions of life as a currency. But a few pieces of it were struck, and they were hoarded as pocket pieces by the people, and the chief currency of the United States was silver. So we continued under the silver currency until the year 1834, when the balance of trade, as it is called, was against us. The void had to be supplied by the exportation of our silver half dollars.

Gentlemen who are familiar with the fact, know that a comparatively small amount of the coins of the United States were struck in silver dollars. This currency seemed to be well established and well understood, not only by our own people, but by the nations with whom we dealt in our commercial transactions, and settlements were made either in bills of exchange drawn upon London, or by the exportation of our specie. Our dollar was originally based on the old Spanish milled dollar, as it was called, which weighed 17 pennyweights and 6 grains, about $1\frac{1}{2}$ grains more than the present standard dollar of the United States; but this Spanish milled dollar did not circulate to any great extent, for it was hoarded for the purpose of exporting it to China and India, where it was recognized as a money that could be relied upon in the transactions of trade.

In 1834 Mr. Benton, of Missouri, who was an earnest advocate of the introduction of gold into the United States, devoted his time and attention to the subject, and imagined that it was a better currency for the United States; and he succeeded in getting the act of 1834 passed, which reduced the weight of the eagle from 270 grains to 258 grains, and the standard of the coin, instead of eleven-twelfths fine, as it had been under the old law, was reduced to the standard of nine-tenths fine. That bill had been in operation only about 3 years when a universal suspension of specie payment took place in the United States in 1837, and that suspension continued practically until near the year 1844. The coin of the country sought hiding places, and could only be

obtained by the payment of a premium. Currency of all descriptions, from the denomination of a quarter of a dollar up to a dollar, was issued by the municipal corporations of the country and by individuals, and when the restoration of the specie standard was brought about, at the end of that period, we had passed through a scene of great commercial disaster, obliging the Congress of the United States to pass a second bankruptcy bill, and such extreme measures began again to restore the country to a state of comparative prosperity.

By the alteration in the weight and standard of the gold coins, about the year 1847, the influence of that gold coinage act was made apparent throughout the country by the disappearance almost entirely of our silver currency. The void was supplied to a great extent by the issue of small notes, generally of the denomination of \$1. Throughout the New England States and in the State of New York a large part of the banking circulation consisted of notes of small denominations. The people of my State thought that that was an unwise way of treating the currency, and the legislature of Pennsylvania passed a law prohibiting the issue by banks of any note of a less denomination than \$5. By thus moving in the right direction, so as to secure an influx of coin into the State of Pennsylvania, the salutary state of things was brought about which gave us a sufficient amount of good coin for circulation below the notes of \$5, and we lived under that system with comparative quiet and success, seeing in the meanwhile the silver of the country going out, the coinage of gold increasing, and the denominations of the gold coin reduced from \$2.50 to \$1.

About 1847 the great gold discoveries in California, together with the arrangement made by Mr. Benton's bill of 1834, introduced into the currency of the country an amount of gold coins, leaving, however, the silver coins almost entirely out of existence, except those that were debased by use. In 1853 Congress determined to supply the channel of business with silver coins that would stay in the country, and they reduced the weight of the half dollar from 206 grains down to 192 grains, and the subordinate silver coins in the same proportion. Since 1853 the people of the United States have been supplied with coins of those denominations, not only in sufficient abundance for all purposes of trade and exchange, but the supply has become so full that I believe there are now 19,000,000 of those subsidiary silver coins in the Treasury of the United States not called for by the needs of the country.

Practically, then, so far as the currency of the country beyond \$1 in denomination is concerned, from 1848 to 1878 the people of the United States were, for that period, carrying on their transactions in a gold currency. Silver was only used for the subordinate transactions of business; the hand-to-hand currency that was in use among the people, and the limitations of its use as a legal tender to the sum of \$5 kept it in circulation and subserved the wants that we had for a silver currency. We had an abundance of gold coins during the whole of the peaceful existence of the United States between 1848 and 1861, when the terrible civil war that raged over us for 4 years annihilated all the coins, and we had nothing left but paper. We got through that war and happily peace and prosperity soon began to assert their domination over the country, and we arrived at last in 1879 at the resumption of specie payment upon a sound basis.

ACT OF 1878.

The act of 1878 had not then manifested any strong signs of its influence upon the currency of the country, and it was hoped that the experiment which had been instituted under that act would soon subside in its repeal, and stop the further coinage of silver dollars, and thus restore the country to its old moorings of a gold currency with such silver as subsidiary coin as would place us in the best possible relations with all the trading nations of the world, and secure for our country the benefits which always flow from a well-established and sound currency.

I had the honor, in 1878, to appear before the Finance Committee of the Senate; and there in the presence of my distinguished friend, Mr. Bland from Missouri, exchanged a tilt with him upon the effects of the passage of the bill which he so earnestly advocated and which finally passed.

The gentlemen who were present with me upon that occasion from New York and Boston will recollect that we advocated strongly the continuance of the then existing condition of affairs, the country being upon a gold standard, and we thought that the country would not be wise in disturbing the relations that had been in existence for so many years, and which had been so well protected by the existing laws of the United States. There were many things that contributed to the partial success of the bill which was intended to remonetize silver. It was directed mainly to the correction of what was supposed to be the demonetization of silver by the act of 1873, which demonetized silver in an indirect way by declaring that the silver coins of the United States should be the trade dollar, the half-dollar, and the subdivision of the half-dollar, and that they should continue to be legal tender to the extent of \$5. It will be remembered that some of the predictions that I made at that time were not fulfilled by the course of events, but I have never changed my mind about the expediency of attempting to restore the old dollar of 412½ grains to the circulation of the country.

I am aware that some of my misgivings expressed upon that occasion were not realized, and I think the reason they were not realized is to be explained in this way. We have seen, since the passage of that act, that the national bank note circulation has diminished from \$350,000,000 and odd to about \$150,000,000 at the present time. We have seen the great increase in the population of the country, the great increase in its trade and manufactures and in the agricultural products, and in that way we have seen that a part of the evils that were predicted from the practical operations of that bill have been overcome by the substitution of the silver certificate issued upon the purchase of bullion under the act of 1878 so that at the present time, according to the estimates I have roughly made, the \$350,000,000 of silver dollars that has been coined since 1878 have taken the place of \$200,000,000 of the notes of the national banks, the other \$150,000,000 having entered harmlessly into the circulation of the country and supplied a void that might otherwise have existed from a rapid growth of population and the increase in the products of industry and the products of agriculture in our country.

ACT OF 1870.

But the advocates of a silver coinage have not been satisfied with the effects of that bill. They have now begun the agitation of free coinage. They have so far moved in that direction as to secured absolutely

the purchase of 4,500,000 ounces of silver every month and secured upon such purchase the issue of Treasury notes of the United States, not payable absolutely in silver, but upon the face payable in coin, and under the provisions of the act that may be paid by the Secretary of the Treasury either in silver or in gold, at his discretion. The object of that provision I suppose is, that if by any possible chance the predominance of gold in value of silver could in any way be secured, this would be adopted as the basis of redemption in the metal which was in most abundance in the country, and by its abundance might be considered the cheaper metal, to use gold for the redemption of the notes. After the passage of the act of July, 1890, the people, to accommodate themselves to the change of front, hoped that the end had been reached at last and that the silver men would be satisfied by the basis upon which a silver circulation was placed by the act, and that the gold men of the country would be satisfied by the fact that for every dollar of the Treasury notes issued under that act of July, 1890, there was a representative in silver bullion of the actual commercial value of that silver, not only in the market of the United States but in the markets of the whole civilized world.

Now, having reached that point, we are asked to go a step further and to consent to an unlimited issue of silver not based upon the commercial value of silver, but upon an artificial value of silver placed upon it by the legislation of the Congress of the United States; in other words, we are asked to consent to a coinage that will give for silver for \$1 of value in the commercial markets of the world about \$1.29 in the coin of the United States. Whenever we come to convert those coins into the money of the world, somebody, unless there is a great revolution worked in the money markets of the world, will be taxed to the extent of that difference in his transactions of business, or in the payment of his debts, or in his wages by the use of a depreciated currency.

Now, the Philadelphia Board of Trade, looking at this matter in the aspect in which I have endeavored to present it to the committee, came to this conclusion, that they would remonstrate against the passage of this free-coinage act, believing that the present arrangement of supplying the country with currency will be amply sufficient for all purposes of trade and business, and that the experiment introduced by this act of July, 1890, should be permitted to work out its legitimate result; and if, in process of so working it out, there would be found any deficiency in the supply of currency for all the purposes of trade, Congress, which is in session pretty much continuously for about 18 months out of every 24, would be able, by enlarging the power of the Secretary of the Treasury, to purchase an additional quantity of silver at the prices which the market makes it, the gold price of the coin, to insure that all the needs of the country might be supplied in that way without such a dangerous inflation of the currency as would be made by the substitution of a dollar that was worth only 80 cents instead of a dollar.

Now, let us for a moment look at this act of 1890 and see what beneficial effect it is really calculated to perform for the country. It is based, as I said before, upon stable grounds. If there shall be ultimately any profit upon these purchases of silver, such profit will not go into the pockets of a few individuals, but it will be for the benefit of all the people of the United States. That is where such profits will center if they are to be made at all; and the legislation of the country ought not, I think, to be permitted to contribute to the speculative advantage of a body of men who can secure that advantage to themselves by any combination.

DANGERS OF FREE COINAGE.

What is another danger of this bill is that it will permit dealers in silver bullion to combine for the purchase of silver bullion and throw immense quantities on the country through the mints, to a certain extent, and probably to a great extent it will be equally in their power to lock up the silver bullion now in the open markets of the world and to produce a scarcity of silver and a consequent contraction of the currency of the country. It seems to me that we ought to try to keep out of this difficulty and this temptation to individuals to interfere and control the management of the currency of the country, and leave it to the wisdom of Congress, looking with great concern to all the interests of the whole people, if there be a necessity for an increased circulation, to provide the means for it through the legitimate channels, which, as I read it, the Constitution of the United States has provided for this emergency.

The Constitution does not say that a body of individuals shall, at their will and pleasure, present bullion at the mints of the United States to be coined, but it says that the Government of the United States "by and through the Congress shall have the power to coin money." It is the function of Congress to direct how this shall be done; and while the moderate supplies of silver and gold bullion come from the hard pickings of the miner in poor veins and in small quantities, it was not so dangerous; but now to permit individuals to carry their bullion to the mints and say that it shall be struck into coin, causes a different situation. As it is at the present day we see great monopolies existing in all directions and working for the benefit of individual enterprises which are centered in these monopolies, and the Government of the United States may find itself stranded upon this question and be put entirely at the mercy of reckless individuals who would speculate in silver.

Our mints are able to turn out considerable quantities of coin monthly, but they are not able to turn out the immense amounts of silver that would be thrown upon them under this bill if it should be enacted into law; and it has struck me that the advocates of this bill, foreseeing that such would be the case, have endeavored to secure themselves against the consequences of such a fact by providing that when the depositor carries his bullion to the mints he may demand to have it either in coin of the United States, standard silver dollars, or have it forged and melted into silver bars that could be sold as one of the commodities of the country; and he is to be permitted to have the benefit of this valuation in that money or in those bars free of charge, unless the metal which he hands in at the mints is of such character that it can not be conveniently used in the form in which he presents it to the mint; but the mints may reduce it and make a proper charge for such services.

But it does not end here. He has another alternative, and this is the one which, in my judgment, he would use, and this is to demand for his bullion the Treasury notes of the United States which are provided for in the bill now pending before you; that is to say, for the value of 80 cents in bullion—I will assume 80 cents, as this is about the average of the dollar—for every 80 cents of silver that he deposits at the mint he may get \$1 in Treasury notes of the United States redeemable at his pleasure in coin. You would require to have the printing presses set at work with a little more activity than the coining presses of the mint would be set at work if the process should be inaugurated.

CONTINUE ACT OF 1890.

Hence, in Philadelphia we feel that it would be wise at least for Congress to pause before enacting such a bill as is now before you. They believe that the act of 1890 ought to be carried out to the extent that the country may require for the enlargement of the currency of the country; and there is within that bill such flexibility as in my judgment is calculated to meet all the exigencies of their needs and to secure for the people the benefits of a really good, honest, metallic currency.

I do not know whether it may come within the views of your committee when you proceed to the consideration of this bill with the purpose of making a report upon it, or how it may strike you to permit the present law to work out its legitimate results. That law provides practically for the increase of the currency of the United States to the extent of at least \$54,000,000 a year; and it provides in addition an obligation upon the Secretary of the Treasury to coin 2,000,000 ounces of silver a month until the 1st of July, 1891, in order to provide a fund for the redemption of any of the Treasury notes issued under the act that may be presented for redemption, and after that period to coin such amounts as in his judgment will be necessary for the protection of the United States Treasury notes payable in coin. Unless Congress shall interfere by subsequent legislation there is no limit to the operation of this bill. It may go on for 1, 2, 5, 10, or 20 years; that is, if it is satisfactory to the people of the United States.

Speaking from my own experience of the history of this country, running over what is usually considered a lifetime of an individual, I would say that we have now reached that point in the development of a supply of sound money which is adequate to a prosperous and gradually enlarging people, a people diversifying their industries in all directions, and enjoying a prosperity which is pouring into their laps at moderate prices all the products of industry that they require for comfort, for sustenance, and for happiness; and I think we ought to be satisfied that we have gone far enough in the direction of endeavoring to introduce into the currency of the country what is called the parity of values between gold and silver.

I think, gentlemen of the committee, that if you will allow this bill of 1890 to stand untouched by your legislation, that you will see it is a bill which will not only increase the use of silver in the United States, but that it will also tend to satisfy everybody that our currency is resting upon a sound basis, so far as it is possible for human contrivances to go to establish that parity between gold and silver which is contemplated by what is declared to be the policy of the United States.

EFFECT OF SILVER AGITATION.

But look for a moment, gentlemen, at the effect this legislation is having upon the country. The calls of those who are frightened by it do not reach you. My friend Mr. Vaux has referred facetiously to a multitude of titles which he said had been conferred upon me. And among those enterprises in which I am engaged in the waning years of my life is the presidency of a saving fund society, instituted for the benefit of the poor, to encourage them to accumulate their savings and to buy homes, and gradually acquire sufficient capital to procure for themselves moderate dwelling houses or establish themselves in moderate business, or to a considerable extent provide for themselves domestic servants and seamstresses, and to lay up a fund for women who are

dependent upon their hard toil for daily support; to enable them to lay up a little capital for their old age.

Now, when this bill first made its appearance in the Senate of the United States its progress through the Senate was watched by this class of people, and they became timorous and afraid, and they wrote letters to me inquiring whether their deposits were safe, and whether I believed that anything better could be done with their money than to leave it in the savings fund; whether I could give them any advice as to what they should do with their money. The only advice I could give them was that there was a steady reliance upon the wisdom of Congress, and that before doing anything which would overturn the settled relations of the finances of the country that they would hesitate, examine, and hear, and then determine. The other effect of it has been that gradually those who are anxious to borrow money, the great railroad corporations of the country, and those who are investing money in mortgages upon railroads, are putting into their certificates of loans and into their bonds and mortgages that the payment of principal and interest shall be made in gold of the present standard of weight and value of the United States. The extent to which this is going, gentlemen, can hardly be realized; but when you look at it in the light of experience, it is the old, old story over again.

My early acquaintance with bonds and mortgages in this country is this—that they were made to contain the stipulation that they should be paid, the oldest ones said, in lawful gold or silver money of the United States; and the more modern ones stipulated, when silver was the real currency of the United States, that they should be paid in the lawful silver money of the United States. The old stipulation was that payment should be made in the Spanish milled dollar weighing 17 pennyweights and 6 grains; and I have seen the stipulation that they should be paid in the Spanish pistoles and gold coin of old Spain, which was considered to be of transcendant purity.

In connection with this matter, and before I close, I will state that in talking over the matter I might say to you upon this question that I have discovered in the course of my interviews with some of the good, reliable people in Philadelphia, that that is their opinion upon this matter.

I have a letter here from the grandson of the Director of the Mint of the United States appointed by Thomas Jefferson. That appointee continued to occupy the position until his death in 1824, and then his son-in-law was appointed by President John Quincy Adams, and he continued to hold the office for a number of years. Then when the great general and patriot of the country, Andrew Jackson, was elected to the Presidency the son of this Robert Patterson was made Director of the Mint of the United States, and it remained under his direction until within a few years of his death. He conducted the operations of that beneficial institution with great ability and with eminent success; and it was during his administration of the Mint that one of the events to which I have referred in this attempted explanation of my views upon the bill happened, and which was the reduction of the weight of the half dollar of the United States to practically what it is at present.

Mr. Robert Patterson, of Philadelphia, occupied a clerkship in the mint under his father, and came, not only by the tuition of his father, but by inheritance and by his own study, to be a wise man. I think in these matters, if it would not be trespassing too much upon the time and attention of the committee, I would like to ask Mr. Tucker, secretary of the board of trade, to read his letter. With this much I will

close, thanking you gentlemen for the attention which you have given me.

Mr. Tucker read the letter of Mr. Robert Patterson as follows :

[Letter of ex-Director Robert Patterson.—Practical operation of free coinage.]

I am asked to give an opinion as to the "effect free coinage would have on the financial and trade interests of the country."

More definitely stated, I understand this question to refer to the effect likely to result at this time by allowing the free coinage of silver in conjunction with the free coinage of gold at fixed legal ratios.

GOLD STANDARD FOR 40 YEARS.

I assume, as an indisputable fact, that since shortly after the California gold discoveries, say for 40 years, this country has been practically monometallic on the gold basis. The fractional silver was long ago demonetized. The silver dollar, although not demonetized until 1873, was at such a premium compared with gold, that it was only treated as bullion for purposes of sale to silversmiths. In 1878 it was remonetized, but under such limitations, through the mint monopoly, that the coins were only issued as representatives of an equivalent in gold. Under such circumstances we now find all coin, gold and silver, circulating within our own country at par—the gold, freely coined, being the basis; the silver, held to the gold by reason of the restrictive circumstances of its issue.

It is now proposed to abandon all these restrictions and admit silver to *free* coinage, issuing silver dollars, weight for weight, for the silver bullion deposited.

There is probably no considerable number of our people who do not desire *both* gold and silver to be utilized as currency. If it can be shown to be certain, or even highly probable, that the proposed free silver coinage would practically demonetize gold, no further argument against it would seem necessary.

SILVER STANDARD UNDER FREE COINAGE.

It appears to me that unless all the ordinary motives of self-interest are suspended the effect of the legislation must be to substitute, more or less rapidly, silver for gold as the basis of our currency.

Gold and silver are metals of world-wide demand, and where freely sold have values as bullion, subject to laws no different from those affecting other commodities, although from the great amounts accumulated, and their indestructibility, the changes are but slow.

The mint laws of various nations have attempted to fix legal ratios for gold and silver bullion, and to issue coins at those ratios, say 15, 15½, 16 ounces of silver, as equal in value to one ounce of gold. Where coinage has been free, the attempt has not proved successful, since the coins only rate at their value *as bullion*, which is subject to variation. Not to refer to other countries, the experience of the United States should suffice. By Alexander Hamilton the ratio of 15 to 1 was established, with the effect of fixing us, nominally on a bimetallic, practically on a *silver* basis. In 1834 was substituted the ratio of 16 to 1, and in a few years our currency was on a *gold* basis, creating such distress for small silver that the latter had to be issued at a reduced weight. These examples illustrate that such small differences in legal ratio as 15 to 1 and 16 to 1 may convert the basis, while in law bimetallic, to a monometallic one, alternating from one metal to another.

Now, in the markets of the world at this time the relation of silver to gold is such that about 20 by weight of silver is equal to 1 by weight of gold. In the proposed free coinage 16 of silver is declared equal to 1 of gold, or in other words, at the *mint* rates, 23.22 grains of fine gold are coined to a gold dollar, and 371.25 to a silver dollar. At the *market* ratio of the metals 23.22 grains fine gold is equal to 464.40 grains of fine silver. Should this ratio remain unchanged what would be the consequence? The holder of gold dollars containing 23.22 grains of fine gold, or multiples thereof, would buy 464.40 grains of fine silver or multiples. He would take that silver to the mint and get in exchange $\frac{464.40}{371.25}$ dollars in silver, that is at the rate of \$1.25. Does it need argument to prove what would be the consequence? We may be sure that this or any like offered profit would result in the rapid conversion of gold into silver, the transference of our gold to foreign countries to exchange for silver, or its retention in the country as bullion at a premium.

Against this line of reasoning it is insisted that the present low price of silver measured in gold would not continue in face of the demand for silver coin. It may

be answered (1) that the already considerable demand for silver by the United States has not by a long interval bridged the bullion difference between gold and silver; (2) the amount of silver in the world is very great and other countries seek to exchange it for gold, so that if the United States continue its free coinage the bullion will be forthcoming. It may be that the demand may cause a rise in value but it is a hazardous assumption that the difference between 16 and 20 will be overcome; (3) it is probable that silver mining will be greatly stimulated so that any tendency to a rise in its bullion value in gold would be in a measure overcome. On the whole, I apprehend that this country would find itself on the silver basis, and other countries now in doubt, notably France, would embrace the opportunity to substitute our gold for their silver.

GOLD STANDARD FORTY YEARS.

I have insisted above that this country has been for over 40 years practically on a gold basis. I do not refer to mint laws, which circumstances render nugatory, but to facts. Between 1853 and 1873 we coined, in free exchange for silver bullion, a number of silver dollars, but they did not, nor were they intended to circulate, being always at a premium compared with gold, and in fact only a convenient form of bullion to make up the melts of silversmiths. Thus, while we had a nominal bimetallism we had a real monometallism, in gold coin.

In 1878 the silver dollar was remonetized, but the mints were *not* opened to *free* coinage. Through the mint monopoly silver bullion was only purchased at its *gold value in the market*, and not exchanged weight for weight into silver dollars. The difference from free coinage is such as to have continued gold as the measure of all values, whether silver or commodities in general. For example, under free coinage an ounce of standard silver would realize to the owner \$1.16 $\frac{36}{100}$ in coin. Suppose its gold value as bullion to be \$1, that is the price the seller receives. If paid in a silver dollar, that dollar has cost him a dollar in gold, or bullion equivalent to that dollar, and it is passed over to every successor in ownership at the same gold value. The 16 $\frac{36}{100}$ cents profit is not realized by the owner but by the Treasury.

The same reasoning applies under the later act of July 14, 1890. In purchases under this act the certificates or notes represent the exact value in gold of the silver bullion purchased. We may say that under these plans, and in virtue of the mint monopoly, silver bought at the mint is represented by issues based on a material equivalent to gold, and there is no reason why such issues should not continue, at least within our own country, as good as gold.

The conclusion at which I reach is simply this, viz, that the proposed legislation will convert our money from a gold to a silver basis, and that inasmuch as many express contracts and nearly all implied contracts are for a real equivalent in gold a change to silver would be productive of injustice and mischief, and is justified by no valid arguments.

NO BIMETALLISM UNDER FREE COINAGE.

I add, that I have no faith that bimetallism *under free coinage* can ever be sustained, being even doubtful if it can be done under international agreement. Under a coin basis each country should select which metal, gold or silver, it prefers, and adhere to it. Silver in itself I do not consider an undesirable basis. The United States has had at one time in practice a silver basis, succeeded by a gold basis, and has done well under each. The bulk of silver makes it inconvenient for circulation in a large way, but Government certificates based thereon supply a remedy. International exchanges adjust themselves to any varying forms of currency, whether silver or gold.

If, therefore, I oppose the projected legislation it is not that I specially favor one form of metal over another, but that I deprecate the injustice and the mischief of the change. There is no scarcity of currency to justify the agitation, or if there be it is caused by this very agitation and the hoarding stimulated by it. The act of July, 1890, provides a monthly addition to the currency of over \$5,000,000, which circulates at par throughout the United States. Why should this law be disturbed? Possibly the first effect of free coinage would be through hoarding or export of gold to diminish the active circulation. If so, the calculations of its advocates would prove vain, and we would have disturbed our currency system to no end except to introduce present distress and the ultimate loss of our gold basis.

ROBERT PATTERSON,
329 Chestnut Street, Philadelphia.

FEBRUARY 9, 1891.

STATEMENT OF WILLIAM. V. M'KEAN.

Mr. SHORTRIDGE. Mr. Chairman, Mr. McKean, who has been connected with a good many institutions in Philadelphia for many years, is here. He is managing editor of the Philadelphia Ledger, and has been for 26 years. He is as well posted in any public matter as any man in the country. I hope he will address you.

Mr. MCKEAN. Mr. Chairman and gentlemen of the committee, this introduction is against my own protest, just this moment uttered. I do not believe that this committee will find suggestions in any advice or in any remonstrances against this bill which will improve what you have heard from Mr. Fraley, and what you have heard in the letter from Mr. Robert Patterson. That is my earnest belief, and that being my belief, so far as I am concerned, I waive further claim to a hearing in favor of these gentlemen from New York, with just this one word: It seems to me fair, reasonable, and wise that you gentlemen of this committee and the Congress of the United States should allow this act of July, 1890, at least one year's trial, as there will be but one year between the 4th of March (which is now pretty near) and the time when you will assemble next December. This is the one word of appeal that I would try to enforce, and the one word of suggestion that I would try to put with all the energy that I can is to say that it would be reasonable and wise on the part of you gentlemen to allow that one year to elapse before you attempt a further step in what certainly you must see is a very great experiment.

STATEMENT of MR. CHARLES S. SMITH, President of the New York Chamber of Commerce.

The CHAIRMAN. We will now hear the delegation from New York.

Mr. SMITH. Mr. Chairman and gentlemen of the committee, I judge from what I have seen in the papers that you have been sufficiently informed already in reference to the matter before you.

Mr. WALKER. We are having these hearings for the purpose of information, and we would be glad to hear what you have to say.

Mr. SMITH. I thank you. I do not believe that I can add much to your stock of information upon the silver question. I do not think I can add anything new to the subject, especially in view of the able discussion which you have heard from the gentleman who preceded me. I only claim to be entitled to a respectful hearing in consequence of the body which I represent.

The New York Chamber of Commerce is one of the oldest commercial institutions in the United States, I believe. It was founded 121 years ago. Our predecessors rocked the commercial cradle in the early times, and the present members of the association are maintaining our commercial supremacy. We are sent by a large majority of that body to protest against the passage of this bill; and we want to give you our reasons for making such protest. We are entirely a non-political body. No politics are introduced into our discussions. We never take political sides; and I think in the Chamber of Commerce the parties would be about equally divided. I make this remark simply to show you that all parties in the chamber agree to this protest. It is universal; and I believe in that sentiment we represent the entire State of New York. From information which I have from all parts of the State, I think the action which the Chamber of Commerce has taken fairly represents the average sentiment of New York State, the merchants and farmers.

GOLD AT A PREMIUM.

Our membership is composed of business people connected with manufactures, commerce, and all kinds of commercial affairs. We represent all the various trades in the city and throughout the State. The members of the Chamber of Commerce have always been bimetalists. We believe in silver just as much as we believe in gold, and we do not care how much silver or how much coin you have, so long as you do not cross the danger line that sends gold to a premium. Now, the question is, when shall we reach that danger line? That, no human being can tell; but my belief is that we shall reach it before many years, if we go on at our present rate, without adding the coinage as is proposed in the present bill. I believe it will come, and when it does come, it will come suddenly. It will come just as soon as the great importers of this country make up their minds that there is a danger that what they have on deposit in any bank in New York will not pay bills of the same amount in London. It will come sooner than we expect it.

There is a feeling in New York to-day, and men are asking themselves, "How long will my deposit pay for a bill of exchange without paying premium on gold." They are gentlemen who do not talk loud about it, because they fear that agitation will bring it on sooner. Whenever our bankers feel that that time has arrived, two or three things will happen. It will either be necessary to make deposits in banks in gold, or gold will become merchandise and no part of our currency; or instead of keeping their main balance in New York, they will keep it in London or Canada, or some place where they know it will pay a debt in any part of the world.

Now, Mr. Chairman, when that time comes who is going to suffer by it? The merchants will not suffer very much, but men like you and me, who are retired from business, or who are on fixed salaries being paid monthly or weekly or daily. That is the class of people who will suffer. If our merchants have to pay 20 per cent. for their goods abroad more than they now pay, they will simply add it to the goods, as they did during the war. We will be compelled to pay much more rent for our houses, and wages will be the last to go up. The people who have salaries will be the ones to suffer. Capital is always able to take care of itself. Capitalists learned that during the war and they have not forgotten it. There is an immense difficulty in doing business where a man buys for gold and sells at a different currency or a depreciated currency, or has to pay a premium on gold. When a man draws a check that will not pay for a bill of exchange on his banker in London at par, then business becomes entirely a matter of speculation.

I was in the importing business myself during the war. My concern sold millions of dollars' worth of manufactures; and when we bought \$500,000 worth of goods, we had to carry \$500,000 worth of gold, or buy a bill of exchange at a long date so as to cover the time of remitting.

Mr. WALKER. Practically, you were buying gold?

Mr. SMITH. Practically, we were. There is great difficulty attending that sort of business. It leads to speculation, and men have to buy gold and carry it, and they have to add a certain percentage to the price of their sales so as to protect themselves from loss by that sort of thing.

Take the mortgages throughout the country. I think my friend, Mr. Rhoades, who is president of a savings bank that loans a great amount of money in New York, will tell you that there are \$575,000,000 loaned on bonds and mortgages in the State of New York. I am a director in a savings bank myself. Whenever I feel there is danger that gold will

go to a premium, I am bound to take care of the institutions that I represent. I am bound to see that those institutions carry a reserve in gold. I am bound to see that in all their mortgages and bonds there is put a gold clause. I am bound to see that such a clause is put into all the bonds even as they expire. I think that is right, and I think it ought to be done by every prudent man connected with a financial institution.

Mr. WALKER. Do you mean for your depositors or for yourself?

Mr. SMITH. I mean for our mortgages and also for our depositors. We invest our funds in Government bonds and in mortgages, and, to a certain extent, in railroad bonds.

Mr. WALKER. Who are your depositors?

Mr. SMITH. They are principally poor people. We do not take deposits of over \$5,000. This idea that cheap currency is going to help the poor is the greatest humbug on earth. The same thing is true of building associations and farm mortgages.

GOLD PREMIUM AND RECIPROCITY.

There is another point upon which I want to touch, which may be of interest. I believe that reciprocity is the key that is going to open a trade with 40,000,000 of Spanish-speaking people lying south of us. I believe it is going to extend the business of this country immensely, if it is carried on in the way that it has been opened with Brazil. Now you send gold to a premium, and it will block us immediately. That is what Great Britain would like. Great Britain and France do all the business of Brazil. Great Britain would be glad to have gold go to a premium with us. If you want to break the force of this reciprocity movement, all you have to do is to put gold at a premium. When you have put gold at 1 per cent. premium, it is immediately withdrawn from circulation, as it was during the war, and it will disappear a good deal faster than you can coin silver to take its place. As I said before, we believe in the two metals. We have always believed in them and we believe in them to-day. I think that the passage of this bill, instead of making free coinage here, would invite France or England or anybody else with loose silver to send it over here, and get coined into a dollar 80 cents' worth of silver. For that dollar they could then draw gold and send it abroad. Before that went very far it would bankrupt the United States, for we would have no gold to pay. But, however that may be, there is no want of currency to-day.

MONEY ABUNDANT.

There is no lack of currency in the great commercial centers. Any man, who has got anything to borrow with, can borrow all the money he wants on call in New York to-day at 2 to 2½ per cent. I am a director in four financial institutions. I am vice president of a large national bank, and a director in two others, and also a director in the United States Trust Company, and I tell you that we have got more currency now in the great commercial centers than we want. Currency is being sent from the South, from the West, and we are largely above our reserve. The president of the Fourth National Bank of New York told me that he had tried hard to loan money at 2 per cent. and could not do it. What has stimulated the recent cry for this bill is a little panic, which commenced in London and came to New York. Everybody thought that what we needed was more currency. It was nothing of

the sort. What caused this stringency was a fear, and it made the people hoard money, but as soon as confidence returned, the money came out again, and we have the easiest money market that the United States has ever had, and it is likely to so continue.

I am exceedingly sorry that we have not with us to-day Mr. Hewitt. Mr. Hewitt was with us yesterday, and intended to be with us to-night to present an argument, which I know you would have listened to with very great pleasure and edification. He was advised by his physician that he would take his life in his hand by coming here, and I requested him to write a letter, which I know you will hear with pleasure. It will only take 17 minutes to read this letter, and then I will ask you to listen to Mr. Rhoades for 10 or 15 minutes. I am sure this letter will interest every gentleman present. It is addressed to the Chamber of Commerce and I will read it.

Mr. Smith read the letter as follows:

[Letter of Hon. Abram S. Hewitt.]

CHARLES S. SMITH, Esq., *President*:

SIR: I regret that the state of my health does not permit me to join the committee appointed by the Chamber of Commerce to remonstrate against the passage of the bill providing for the free coinage of silver. But, in accordance with your request, I beg leave to submit a statement in regard to this important measure, of which you are at liberty to make such use as the committee may approve.

COMMERCIAL RATIO NOT CONTROLLED BY UNITED STATES.

By law, the standard of value in the United States is a dollar containing 25.8 grains of gold, .9 fine. All other forms of money, including legal-tender notes, national-bank notes, silver dollars, and silver certificates, are maintained at par with the gold dollar only because in some form or other they are redeemed by the United States Government in gold dollars of the above standard.

When pure silver is worth \$1 per ounce the gold dollar will purchase 480 grains of pure silver. The quantity of pure silver in the present standard dollar is $371\frac{1}{4}$ grains, equal to $412\frac{1}{4}$ grains, .9 fine. By opening the mints to the free coinage of silver it is proposed to make $371\frac{1}{4}$ grains of pure silver worth as much as the gold dollar, which at the present market rate will purchase about 480 grains of pure silver. In other words, by act of Congress $371\frac{1}{4}$ grains of silver are to be converted practically into 480 grains of silver. The alchemist never undertook a more difficult or profitable operation, if success were possible.

It is claimed by the advocates of the free coinage of silver that the mere passage of the law opening the mints will raise the value of silver in the markets of the world from \$1 per ounce to \$1.29 per ounce. The price of silver, like the price of every other commodity, is governed by demand and supply.

If the demand created by opening the mints could absorb all the silver that would be offered, the price would undoubtedly rise to \$1.29 per ounce. But the absurdity of this idea is apparent when it is considered that the world is supposed to contain over 6,000,000,000 of silver ounces now selling at \$1 per ounce, to be raised by the proposed legislation 29 per cent. in value. If the mints of the United States could receive and coin such a sum, for a time at least the value would undoubtedly advance, but the flood of silver seeking a market at 29 per cent. more than its present value would be so great as to overwhelm any possible demand which could thus be created by the opening of our mints to the free coinage of silver. The price of silver would undoubtedly be subject to violent fluctuations, but when it was found that this country could not absorb the vast offerings, domestic and foreign, which would be made, the price would sink below its present level, and the owners of silver and silver mines would be worse off than they are at present. The idea, therefore, upon which the proposed legislation is based, that the relative value of the gold and silver of the world could be materially changed by any action of this country, is absurd. If all the other commercial countries would combine with this country in the effort to restore silver to a parity with gold on the basis of $15\frac{1}{2}$ to 1, which is the ratio of the Latin Union, there might be some probability of success, but it is by no means certain even then that the laws of nature governing the exchangeable values of commodities could be permanently affected by legislation.

LOSSES FROM CHANGE OF STANDARD.

The greatest evil that can befall a nation is a change in the standard of value. Plagues, pestilence, and famine are after all but local and temporary calamities; floods, earthquakes, and cyclones are limited in their disastrous results, but a change in the standard of value affects all existing contracts, upsets all the calculations of business, reaches every family in the land, and converts legitimate trade into speculation and gambling. The experience of mankind has shown that two standards of value can not exist side by side. One or the other will become dominant, and according to the well known law of Gresham, the poorer money will drive out the better money. Hence the attempt to establish a silver as well as a gold standard will result in the establishment of a silver standard and the conversion of gold into an article of merchandise. Undoubtedly this country can continue to do business upon a silver standard, but inasmuch as silver has for the last twenty years fluctuated very greatly and rapidly in value, ranging between 43*d.* and 60*d.* per ounce in the English market, and as the recent fluctuations have been very violent, it is fair to presume that these changes in value will continue in the future, as in the past, deranging the business of countries which are upon the silver basis.

In the modern development of civilization, silver has become the money of relatively poor countries, where the standard of living is low and the wages of labor are inadequate. The United States is to-day the richest country in the world. Great Britain still surpasses us in per capita wealth, but the difference is now slight and we shall within the next decade be at the head of the list in wealth estimated per head of population. If any country ought to have a gold basis it is the United States; and the importance of such a basis is apparent when it is considered that the international transactions of the world are all settled in gold and must continue to be so settled. At present London is the clearing house of the world, but the time is not far distant when, if we adhere to the gold basis, the seat of financial power will be transferred to this country, and before the close of the present century the clearing house of the world will be in the Western Continent, unless we deliberately elect to establish an inferior standard of value involving the payment of brokerage upon every transaction before it can be converted into the universal standard of the world.

It would appear, then, to be plain that neither the silver owners nor the general business of the country nor the future prosperity of the United States would be benefited by a change from the gold to the silver standard.

DEBASEMENT OF CURRENCY NOT NECESSARY TO ITS EXPANSION.

The only other argument urged in behalf of the proposed legislation is that it will increase the amount of currency available for business in the United States. If the currency be debased by lowering the standard of value, undoubtedly more money will be required for the ordinary transactions of life. Over 90 per cent. of the business of the country is, however, performed by checks, notes, and other instruments of exchange, so that the increase of the currency would only affect the petty transactions of daily life and the payment of balances between the banks. It is difficult to see how the free coinage of silver would in any way affect the present conditions of domestic exchange, except to complicate them and to compel the payment of balances in silver instead of gold. The free coinage of silver, so far as it displaces a corresponding amount of gold coinage, would not add to the amount of money in circulation, and it is very difficult to conceive in our day that the amount of silver coined could by any possibility be made to equal the amount of gold already coined, which would be driven out of circulation and out of the country. The idea of increasing the currency by this method is, therefore, fallacious. But even if it were possible to accomplish it, there are other methods of reaching this end without debasing the standard of value and disturbing all the existing conditions of business.

The attention of Congress undoubtedly can be wisely directed to such improvement in the fiscal system of the country as will relieve the Secretary of the Treasury from the responsibility at one time of constricting the money market, and at another of releasing from the Treasury large amounts of money in order to overcome the stringency caused by events over which he has no control. The present system of Treasury regulation is probably the worst that has ever existed in any commercial country. All men will agree that it ought to be amended without delay, and that every interest in the country requires a banking system which shall as far as possible be made automatic in meeting the demands for currency. Instead of changing the standard of value, let Congress appoint a commission to examine into the present financial condition of the country, its fiscal arrangements, the relations of the Treasury to general business, and to recommend a system which will admit of free play in the issue of currency when wanted, and its retirement when it is no longer needed for the regular operations of trade.

THE RICH NOT THE CREDITOR CLASS.

The proposed legislation is advocated upon the ground that it will be favorable to the debtor class, and it is assumed that the debtor class is a majority of the whole number, and therefore ought to be favored by legislation. Upon grounds of morality, this proposition will not stand examination for a moment; but, as a matter of fact, the debtor class is not a majority in the community and any proposition to debase the currency is simply an attempt to transfer from the great mass of the community who have been provident, industrious, and successful, a portion of their savings and gains into the pockets of those who have been either idle, extravagant, or unfortunate. The great creditors in this country are the savings banks, life insurance companies, the building associations, and innumerable mutual benefit institutions among the workingmen for protection against the chances of sickness and death. It is estimated by the Comptroller of the Currency that the savings banks, private banks, and trust companies of this country hold deposits to the amount of nearly \$3,000,000,000. The aggregate of life insurance outstanding is almost beyond the reach of computation; but the assets of the life-insurance companies, which represent the actual savings of those who are insured, amount to over \$3,000,000,000. These assets, as well as the deposits of the savings banks, are mainly in the shape of loans, payable in lawful money, and therefore subject to the loss of a depreciated standard of value.

Again, men who work for wages are creditors to the extent of the amount of their wages due, which varies generally from two weeks to one month in all the industries of the United States. Probably at any one time there is due from employers to laborers not less than a thousand millions of dollars. Now the effect of lowering the standard to the extent of 25 per cent. or more will be to deprive the most industrious and saving portions of the community and all laboring classes of 25 per cent. of their wages. Commodities will respond to any change in the standard, but wages are slow to follow a depreciation. The result will be that the standard of living in this country among our working people would be reduced at least 25 per cent. and the provision which has been made for old age, for sickness, for death, for widows and orphans, will be depreciated in the same ratio. No invasion of hostile armies, burning and destroying as they advance, could by any possibility equal the desolation and ruin which would thus be forced upon the great mass of the people.

The rich can always take care of themselves, and to a very large extent their property is invested in commodities which would advance in value so as to counteract the depreciation in the standard of value, or is represented by obligations which are by contract made payable in gold. The poor, however, and those whose transactions are on a moderate scale, can not protect themselves and must accept the confiscation which is thus relentlessly imposed upon them. The result will be that the rich will grow richer, and the poor poorer, and the antagonisms between the rich and the poor which are always to be dreaded, and as far as possible mitigated, will be intensified. Under the circumstances a strong government will be necessary, and the ancient safeguards provided by our fathers for the preservation of personal liberty and the equitable distribution of the proceeds of industry will be endangered by the general demand for protection from confiscation and violence.

This picture will not appear to be overdrawn to those who can recall the occurrences of the late war when the suspension of specie payments compelled creditors to take payment in depreciated money, and the property of the country was transferred largely without any action of their own from one class of the community to another class, who were thus suddenly enriched at the expense of their neighbors. No one can estimate the misery which was caused by this wholesale transfer of property. Until the restoration of specie payments the business of the country was practically speculative and in the nature of gambling, the result of which was to bring the working classes of the country into the very great distress which prevailed from 1873 to 1879. The return to specie payments in the latter year undoubtedly worked very great hardships to certain classes in the community, but as the preparation had been gradual, the evils were not so great as those which resulted from the suspension of specie payments. Nevertheless it is within the memory of all that while immediate prosperity, so far as the country was concerned, followed the resumption of specie payments, there were individual cases of hardships for which no reparation could be made. The lesson, however, was so deeply fixed in the public mind that any proposition to return to an era of irredeemable money would be practically rejected by the general voice of the nation.

The proposition to adopt a depreciated standard of value is only less objectionable because silver has more intrinsic value than paper. But the great fact remains that this adoption of silver as the standard of value would be practically a depreciation of the currency to the extent of 25 per cent., the consequence of which, like the dew of heaven, will fall alike upon the just and the unjust, but not alike upon the shrewd and the unsophisticated. The former will be able to take care of themselves, while the latter will be robbed of their hard earnings without any hope of compensation.

As it is the fashion to assert that opposition to the free coinage of silver comes only from capitalists and from Wall street, it is proper for me personally to say that I am largely interested in silver mines and in the smelting of silver, and therefore would have no prejudices against the proposed legislation if I thought it would be advantageous either to myself or to the public. I am convinced, however, that those who are interested in the production of silver in any form will be seriously injured in the long run by the adoption of the proposed legislation; but whether they would be injured or not, it is certain that the productive industries of the country, whose interests Congress is bound to protect, would receive a blow from which they could not recover for many years.

DANGER IN ACT OF 1890.

But it is not necessary to pass the pending bill in order to force the country to do business upon a silver basis. The existing law requiring the purchase of \$4,500,000 of silver bullion monthly for coinage into standard dollars will inevitably bring this result to pass. The limit of safety has already been reached, if the parity between gold and silver is to be permanently maintained. So soon as the time arrives when the receipts of the Treasury are mainly in silver notes it will be forced to pay out silver in discharge of all obligations not specifically payable in gold. The evils of the free coinage of silver will then be upon us, and gold will disappear from the operations of domestic trade; the change, when it comes, will be sudden, and the consequences will be calamitous. The withdrawal from circulation of \$500,000,000 of gold now available as money will act like a stroke of paralysis upon the business of the country, and bring even the Government itself to the verge of bankruptcy.

The Chamber of Commerce so long ago as 1876, when the proposition for the free coinage of silver was first made, sent to Congress a remonstrance against the measure "as unjustly and needlessly permitting the payment of more than \$11,000,000,000 of public and private debts by silver coin then depreciated in market at least 18 per cent. and liable to still further fluctuation and depression."

For more than a century the Chamber of Commerce has been a recognized authority upon all questions pertaining to exchanges and finances. It is composed now, as it always has been, of the leading merchants, bankers, and manufacturers of the State of New York. It numbers over 900 members whose occupation, training, and interests have necessarily made them familiar with the laws of trade and the delicate elements which affect credit, public and private. They become thus not merely experts, so to speak, but they are to a large extent the jealous guardians of commercial honor, which lies at the foundation of national prosperity. The opinion expressed by the chamber in 1876 has been confirmed by subsequent experience. They are now practically unanimous in the belief that a great peril confronts the country, only to be avoided by the early repeal of all laws requiring the compulsory purchase or coinage of silver bullion. In the presence of this danger, great business undertakings are suspended, commercial transactions are necessarily conducted with so much caution as seriously to interfere with the general progress and prosperity.

If, therefore, the chamber appeals to Congress not merely to stay its hand as to the opening of the mints to the free coinage of silver, but to arrest any further addition to our silver currency by repealing the existing legislation which is steadily and surely undermining the solid basis of gold value upon which the unexampled development of the United States has taken place since 1879, the appeal is made earnestly, soberly, and confidently, because it is believed that in no other way can the impending calamity be avoided, and the nation saved from panic and bankruptcy in the midst of resources and wealth of which the world has heretofore seen no parallel.

Very respectfully,

ABRAM S. HEWITT.

FEBRUARY 10, 1891.

Mr. JOHN HARSEN RHOADES. I suggest you add to that the names of the committee of the Chamber of Commerce by whom that statement was approved. The names of the committee referred to are as follows: Charles S. Smith, John H. Rhoades, Alex. E. Orr, Henry W. Cannon, John Sloane, Carl Schurz, Abram S. Hewitt.

Mr. BARTINE. Does the Chamber of Commerce ask for the repeal of the existing law?

Mr. SMITH. The Chamber of Commerce have not gone that far.

Mr. BARTINE. You do not go that far?

Mr. SMITH. No, sir.

STATEMENT OF JOHN HARSEN RHOADES, OF NEW YORK.

GENTLEMEN: The continued agitation for the past few years on the part of Congress, looking to the free coinage of silver, has led to the presentation of the whole question in such an able manner by those who have not only made the subject a matter of deep study, but who are far better qualified to speak upon the same than I can possibly be, that any words which I can add will be not only crude in themselves, but in effect a repetition of arguments advanced over and over again. And yet I am so firmly impressed with the gravity of the situation, and so well satisfied that free coinage, under existing conditions, is so fraught with peril to the commercial interests of the whole nation, that I venture to raise my own feeble voice, in common with thousands of others, in earnest protest against the enactment of measures now pending in Congress looking to that end.

PERILS OF FREE COINAGE.

Theoretically a firm believer that the single gold standard is the only true standard of value among the nations of the earth, I yet recognize the fact that, with rapidly increasing populations, rapid development of the soil, and constantly increasing demands for currency to carry on the business enterprises of the world, the probabilities all tend to reaching a period when the civilized nations of the earth will realize the necessity of establishing a bimetallic standard consisting of both gold and silver, and will agree with each other on such establishment, upon a proper ratio as to value between the two metals. At the same time, for one nation to set up a ratio of value for itself, and to adopt unlimited coinage in the face of the large supplies of silver existing in the world, the certainty that enhanced price, with easy convertibility into the notes of a strong government, must lead to increased production, and the known and well recognized fact that silver, by the same universal law which relates to all the other commodities of the earth, will seek the market where the best price can be obtained and where it is in active demand, is but to challenge the world that it proposes to create a gigantic corner in the metal and to invite all other nations to break it down if they will; and though from its inherent strength and high credit a nation can maintain such a corner longer than can an individual or an association of capitalists, yet the end must come at last, and when the corner does break, as break it must, from the very fact that it is gigantic in its proportions, it will carry tenfold disaster in its train; while to set up a barrier against the natural inflow of silver from other nations, through laying a duty upon all such imports, is but to build a Chinese wall over and under which the flow will find its way, while the bubble of inflation will continue to grow until it bursts of its own bigness.

But, gentlemen, this to my mind is not the only serious result, for while the process is going on another inevitable law, against which mountains of legislation can have no effect, will be at work, and that law is this: That when two commodities of different values are held at equal value, and the volume of the cheaper is constantly increasing without corresponding increase in the volume of the dearer, then the more valuable will be eventually driven out of use, and the cheaper take its place; in fact, this process is already at work under the laws now in force, and will be shown by the gradual reduction of the gold

balance in the Treasury, and to be followed by decreasing amount of gold or gold certificates in active circulation; and in my judgment it will not be many years before Congress, even in the absence of free coinage of silver, will have to face the problem of how to restore the ratio of gold and silver in active circulation, in order to prevent a parting in the established value between the two metals.

APPREHENSIONS UNDER FREE COINAGE.

But to return to the question. It is said by some who favor free coinage that in the event of the proposed legislation becoming a law, all of this evil will not happen if the capitalist, the banker, and the merchant will not allow their fears to get the better of their judgment, and if they will avoid the hoarding of gold. In answer I will say that it is not idle fear or senseless panic which will prompt their action, but the sense of prudence which prompts every man to protect himself from loss, which he feels certain must overtake him if he fails to so protect himself.

As a commercial community, we have vast transactions with other nations, and they with us. Think you that it would be a prudent act for a merchant, owing large sums in Europe, to delay fortifying himself with gold coin or its equivalent, not knowing what the immediate effect of free coinage may have upon the supply of gold in the market, nor whether, when he draws his draft on his bank to pay for the foreign exchange needed to pay his debt, and which must be in gold, he is to have it honored only in silver worth in Europe but 80 cents on the gold dollar?

Think you that foreign capital which has been for years, and is now, seeking investment here, helping the development of our resources and the building up of the material prosperity of our great West and South, will longer seek our shores except on terms which will protect it against possible loss, when the capitalist fails to recognize a bimetallic standard at home, and believes, as he does believe, that neither his own nation nor any one nation can alone maintain a bimetallic standard, and that the probabilities are that the gold he sends must either remain with us or be returned, dollar for dollar, in a metal which must be sold at a discount from that which he sent?

Or do you believe that the large volume of our maturing securities, now owned abroad and for which gold was paid, will remain there awaiting maturity, with the uncertainty as to the value of the coin in which they must or will be paid?

Or think you that he who in our own country has by honest labor and frugal living amassed a competency, live he where he may, either North, South, East or West, will loan his money, which is now to him gold or its equivalent, giving the power to the borrower to return the same to him in currency worth in the other markets of the world but 80 cents, and in his own market of uncertain value, except on terms that are safe to him, though onerous to the borrower?

Or think you that the great majority of our people are going to become happier, more contented, more successful, or more saving in their expenditures, when under the action of a redundant currency they receive higher wages, better prices for their products at home, no better prices for their products abroad, and have to pay more in proportion for their food, lodging, clothing, farm implements, tools, and all the necessities of life?

EFFECT OF FREE COINAGE.

Gentlemen, theories are one thing, but when an individual or a nation parts from that which is the recognized standard of value throughout the world, and agrees to accept, at the same value, something which the world will not recognize as of equal value, they will suffer fearfully through a depreciated currency at home, place themselves at great disadvantage in parting with their products to other nations, and place other nations in a position to realize larger profits out of the products they send us in return.

Besides, for the sake of argument, admitting that the theories advanced in support of free coinage are correct, if the banker, the merchant, the investor, the foreign capitalist, or those who manage financial institutions all over this broad country, do not believe them to be correct, and not so believing, act contrary to the theories advanced, as now in the absence of a general belief in the correctness of these theories they certainly will—then to attempt to force their trial on an unwilling community is only to invite disaster and force a failure. The entire estimated silver product of this country, and more, is now being purchased by the Government, and in the form of Treasury notes is being added to our circulation. Time alone will prove how much of this currency can remain absorbed without creating undue and disastrous inflation; and you may rest assured, gentlemen, that capital will take no further chances, unless it protects itself against possible disaster, through an increase of its gold resources and the exaction of safeguards which in their very nature will restrict rather than, as is expected, expand the resources of the country.

WHY BUY SILVER AT FICTITIOUS PRICE?

And in this connection let me ask why, in face of the fact that the Government is now purchasing the entire product of the silver mines of this country, and more, at the rate of \$1.02 per ounce, it should voluntarily raise its purchase price to \$1.29 per ounce? Surely the Government should be bound by the same rules in making purchases of its supplies, be they silver or any other commodity, as govern similar transactions in the markets of the world; and in good faith to the people whom they represent they should buy at the lowest market price at which such supplies are offered and not at an arbitrarily higher price to be fixed by themselves.

POSITION OF FRANCE.

Much has been said about the ability of France to maintain on a parity with gold so large a volume of silver currency, but it must be remembered that France is at all times largely a creditor nation and that gold naturally flows toward and not from her; that the larger volume of her silver currency is not lodged in the Government depositories, but is stored, with gold, in the pockets of her people; and above all, France has ceased to coin silver and waits the joint action of other powers before she will consent to resume its coinage in any large volume; and these, in my judgment, are the reasons why she carries the burden with apparent ease; and yet the fact remains that, as a nation, she is so jealous of her own interests and so determined to retain as much as possible of gold within her borders, that she will not part with it, in

large sums, except at a premium of about one-half of 1 per cent. It is believed and claimed by many that the French Government would gladly exchange its present ratio of coinage between silver and gold for a higher standard were it not for the cost to the nation in making the exchange; and would gladly sell a portion of her silver and substitute gold in its place if it could be done without serious loss to the treasury; and I take it for granted that you or I, sitting as directors in the Bank of France, would not long hesitate to make such an exchange if the Government of the United States, or any other government, by establishing an arbitrarily high price for the metal, would give us the chance.

FREE COINAGE NOT ASKED FOR BY THE THRIFTY.

But, gentlemen, this cry for free coinage comes not from the thrifty artisan, the well-to-do farmer, the successful manufacturer, merchant, banker, or capitalist, be he located in the Eastern or Middle States, in the South, or in the West. Such as these demand from the Government that its issues of paper money shall be redeemable only in that which shall at all times be equal to 100 cents on the gold dollar and which shall at all times place them in a position to exchange the same for the gold dollar or its equivalent in the markets of the world.

It is the debtor class alone who, in the delirium of their fever to gain that which can only be gained through years of constant, hard, honest toil and close economy, see rivers of gold and silver flowing from the Government Treasury and eagerly reach out to clutch the air. Feed them with your paper issues, based upon free coinage of silver, and you will instill into their blood, as has been wisely said by your late Secretary of the Treasury, a poison which the most powerful antidotes will not save them from financial collapse.

NECESSITY FOR GOLD CLAUSE IN CONTRACTS.

To-day many of the depositors in the bank of which I am the president actually refuse to receive gold when tendered to them; and why? Because they have a profound and patriotic faith in the Government under which they live; they are proud of its strength, and hold that its promise to pay will give them at all times, on demand, that which they now refuse; but let the taint of suspicion arise that that promise to pay will not be made with gold, but in a coin worth in the markets of the world but 80 cents on the gold dollar, and you will find that they will besiege our doors, demanding the very metal which they now refuse; and what is the natural and logical result of this belief to the minds of those who manage this and kindred institutions? Nothing less than that we must seek, so far as lies in our power, only those investments in which is contained a pledge to pay in gold coin, and to insist that all loans made by ourselves shall be based upon a repayment to us in gold coin; and what is true of the bank which I represent, with its \$22,000,000 of deposits, consisting of the savings of the poor and the thrifty artisan or laborer, is equally true, I venture to affirm, of all or nearly all of the vast aggregate of thirteen hundred millions held by similar institutions throughout the nation.

This determination to insist upon a gold clause in all time contracts, is rapidly spreading and is being constantly aggravated through the distrust engendered lest Congress will in the end declare its will in favor of the free coinage of silver.

CONCLUSION.

Gentlemen, the chamber of commerce, which as a member of this committee I have the distinguished honor to represent, approves of, and indorses fully, the arguments against the free coinage of silver as made in the recent speeches of the Hon. John Sherman, in the Senate, and of the late lamented Secretary of the Treasury, the Hon. Wm. Windom, in New York, and I may add the well known views of the late Secretary Manning on the same subject, as well as those of the Hon. Charles S. Fairchild, also late Secretary of the Treasury. We believe their logic to be sound and their reasoning correct; and we anticipate with them many, if not all, the disastrous consequences to fall upon the country in the event of the bill now pending in the House becoming a law. These men, honored like yourselves, as distinguished representatives of the people at the seat of Government, having had exceptional opportunities to judge of the feeling and expectations of the Governments of Europe, as to the effects of the free coinage of silver upon them, and upon our own country, and trained by years of long public service to understand the subject in all of its bearings, have sounded the note of alarm in words not to be misunderstood, and the nation "must give pause" and heed their warning cry.

Interview with Messrs. Charles L. Smith, John Harsen Rhoades, and Joel Cook.

The CHAIRMAN. There is opportunity now for members of the committee to ask such questions of these gentlemen as they may desire.

POUND STERLING AS INTERNATIONAL STANDARD.

Mr. WALKER. I want to ask these gentlemen some questions, and I suppose other members of the committee also. There are some facts which I think these gentlemen may be able to give some information upon, and of course if there are I want them to get into the record. I want to ask Mr. Smith if it is not a fact that there has been for a century a standard of international commercial money which is universally used between countries on a gold basis, and between countries on a gold and those on a silver basis, and between countries on a silver basis, in all their international exchanges, and that is the "pound sterling?"

Mr. SMITH. Yes.

Mr. WALKER. It is universally used?

Mr. SMITH. The pound sterling or Louis, the 20-franc piece, is about the same, either one or the other, but mainly the pound sterling. I have traveled a good deal on the continent, and find that all expenses in Europe and all exchanges are made either on the basis of the pound sterling or 20-franc piece. It is so in all the Orient. Most generally it is the pound sterling.

Mr. WALKER. I will ask if in any country the draft in the 20-franc piece or pound sterling is not always understood to be gold?

Mr. SMITH. Always.

Mr. WALKER. And the payment, if paid in silver, gives you that much more silver than 16 to 1 of gold, whatever the commercial value is?

Mr. SMITH. Always. Take Austria; I spent 6 months there 8 or 10 years ago, and if you pay in pounds sterling they will give you from 10 to 12 per cent. discount on anything you buy.

Mr. RHOADES. Everything is pro rated to that point.

Mr. WALKER. Is it not a fact that the price of all commercial commodities, however remote they may be from the exporting cities in every country, if they have fairly good communication between these cities and where the products are, have the same gold price the world over, lacking whatever may be considered profit and transportation charges?

Mr. SMITH. Yes.

Mr. WALKER. Is there any question about that?

Mr. SMITH. None whatever.

Mr. BARTINE. Do I understand you to say that the gold price of commodities, for instance in Calcutta, is the same as the gold price in London, less the cost of transportation?

Mr. SMITH. The freight and commissions added.

Mr. BARTINE. What do you include in commissions?

Mr. SMITH. I mean the freight and commissions. Those things are generally done through brokers or commission merchants. Of course you have to have somebody to come in contact with the seller.

Mr. BARTINE. Do I understand you to say that purchases are made in Calcutta on the gold basis?

Mr. SMITH. Yes, sir.

Mr. BARTINE. Not in rupees?

Mr. SMITH. They are paid in rupees, and that is regulated in London.

Mr. BARTINE. If you have to receive payment in Calcutta do you get it in rupees, or so many pounds sterling; do you not get paid in rupees, the value of the rupee being estimated at its gold price in London?

Mr. WALKER. Let me vary the question a little.

Mr. BARTINE. I only wanted to get the gentleman's position fairly in my mind. What is the fact when the silver is transported to Calcutta or Bombay? How is payment made, in so many rupees or so many pounds sterling?

Mr. SMITH. I suppose that the transactions between large merchants would be in pounds sterling. But I suppose the small native merchant, who was accustomed to that, would take rupees and make out a bill in rupees. All large transactions are made in pounds sterling.

Mr. BARTINE. Are you certain of that?

Mr. SMITH. That is what I have been told.

Mr. JOEL COOK (of Philadelphia). The business between the Indias—that is to say in the city of Calcutta—is, of course, transacted in rupees, because that is their money, just the same as we transact business here in the city of Washington in dollars. But if that business bears any relation either to buyer or seller or shipper outside of that country it has to be changed for the purposes of that relation into pounds sterling. That is, it becomes sterling exchange.

Now, the way I know this is, first, from being a part owner of two American ships that trade there; and all of our dealings with reference to the freights, and everything connected with the bills and expenses, are in the first place made up in rupees. But the moment it becomes necessary for us to take money out of that country and bring it here, or to send money from this country to that country, we have to first convert that into pounds sterling to get the international basis of exchange, and then convert the pounds sterling into our dollars, in order either to receive or pay.

Mr. WALKER. The pound sterling is always gold, and our dollar is always reckoned as gold.

Mr. COOK. Yes. What I would like to say about that is this, that the

international money, which is what you started with (the international money is what you may call sterling exchange) is gold, and of course only comes into active relation in order to transmit the balance; that is if we have a balance to pay we have to convert it into sterling.

Mr. WALKER. The same as between banks?

Mr. COOK. Exactly the same way, but we have got to convert into sterling, which is gold, and we are completely and entirely at the mercy of that exchange immediately we cross the border of this country.

Mr. WALKER. Or any other country.

Mr. COOK. Or any other country. Wherever we transact business outside of the United States, no matter what may be the currency of the country we deal with, we have got to get it into the sterling and then out of that into the money of this country.

Mr. BARTINE. You mean that the pound sterling is a medium through which to reach the rupee or other foreign unit.

Mr. COOK. Yes, sir; as it affects this question, I only wanted to say that whilst the Congress of the United States can make anything a legal tender within the borders of the United States—can make a certain number of grains of silver a legal tender of certain value—it can not by any enactment of its own give that value to the grains of silver when you go across and outside of the borders of the United States.

Mr. WALKER. Where a buyer has in his mind what he can afford to pay in gold for whatever he buys in any country in the world, whatever may be the standard of value there, and the seller has in his mind what he is obliged to take in the currency of the country, does not the price as made between the buyer and seller in every country in the world resolve itself into a gold measurement of that price, either of buying or selling?

Mr. RHOADES. Why, most certainly; you can not do otherwise?

Mr. WALKER. If taken out of the country?

Mr. RHOADES. Certainly.

Mr. COOK. The moment you cross the border you have got to meet gold.

Mr. WALKER. Is it not a fact that England alone as a gold-standard country enforced this international law of gold-standard exchanges and has enforced it on the world for a century?

Mr. RHOADES. Certainly; decidedly so.

HOW FAR PRICES OF SILVER CONTROLLABLE.

Mr. WALKER. The next question is, whether it is not conceded (and I want to put it strongly, and do not want you to assent to it if you can dispute it) commercially that with about 800,000,000 people using silver-standard coin and 275,000,000 people using gold and silver, which practically resolves itself into gold, that giving free coinage to silver here will not raise the price? Is there any law of business that would lead any man familiar with commerce to suppose that it would raise the price of silver? How can it raise the price of silver? I go further. Under the present law we buy and keep it. If we give free coinage and it is not consumed now, how is it possible to raise the world's price of silver by free coinage?

Mr. RHOADES. It only raises the world's price as you raise any commodity by any capitalist, or association of capitalists, or merchants combining together to take the product of the world, or the product of that commodity, whatever it is. As long as they take all that comes to them they can maintain that price up to their ability. Silver will

flow to where it is in greatest demand and the prices highest, but the trouble is that there is a limit to it.

Mr. TAYLOR. It would raise the price as long as our gold held out?

Mr. RHOADES. Yes; and as I say, there is a limit to it, and that limit comes when the country that agrees to take it has such an accumulation that confidence is gone and down goes your price of silver lower than it ever went before.

Mr. WALKER. You say up to the limit of its ability?

Mr. RHOADES. Yes.

Mr. WALKER. Please give me an accurate definition of what you mean by ability. Do you mean by that the natural ability measured by use as a synonym with natural and commercial use, or do you mean ability with wealth enough to buy and hold it all?

Mr. RHOADES. Its natural use. The Government can coin as long as the country absorbs it, but a time comes when the scheme gets too heavy. Then comes disaster and out goes your gold, and all the while silver is pouring into the Treasury for duties. Then the gold is gone and the people wake up to the consciousness that there is no more gold, and it is done with.

LIMIT TO VOLUME OF MONEY NEEDED.

Mr. WALKER. Isn't there a limit to the amount of coin or paper money that any people can profitably use, and is not that limit ascertainable and clearly marked? Isn't it all that the people habitually carry in their pockets plus what the banks have to keep to satisfy their customers?

Mr. RHOADES. That is the limit. If you find that you have your limit.

Mr. WALKER. Has not England found it and known it, and acted upon the knowledge, for the last 50 years in the amount of gold that she has decided to keep, by raising the rate of interest to keep it and lowering it when she has enough?

Mr. RHOADES. England has. There is no doubt about it. The only question with us is, that this being a rapidly growing country and spreading over a vast territory its capability of absorption, and quick return is lessened, and the arriving at that with us is more difficult than with England, which is a thickly settled country.

Mr. WALKER. Is it not a fact that every railroad we construct and every bank we start on the line of the railroad makes less use for paper and coin in that section; that all forms of paper money circulate so much quicker that we need less there?

Mr. RHOADES. Yes, to a certain point; I would answer that affirmatively. At the same time our country is growing with great rapidity, and what to-day is a small town, in a few years is a city. That growth is so rapid that it is pretty hard to calculate how much of coin or its equivalent in a Government promise to pay (answering for coin) is needed there for the current business of daily life, and absorbable there. That is the only difficulty about reaching how much the country can consume.

Mr. WALKER. Is it not a fact that we have had enough currency of recent years for the general business of the country, except during a few months each fall when we were moving our crops?

Mr. RHOADES. Yes, I think we have reached our limit.

Mr. BARTINE. Mr. Walker asked you, Mr. Rhoades, if the currency of England had not reached what I might term the point of saturation; that is to say, if she had reached that point when in the pockets of the

people and in the banks together she had a sufficient amount of currency. Do you wish to put yourself on record as saying that the masses of the people of England have a sufficient amount of currency in their pockets or in their houses where they can lay their hands on it when they want it?

Mr. WALKER. That is capital.

Mr. BARTINE. I am talking about money.

Mr. RHOADES. I would not put myself on record positively that that was the exact fact, but I would put myself on record that in the main it is the fact. England may find it advantageous to issue a little more money, but not of any great volume. It has already been mooted that she may possibly issue, I think, a pound note based on silver. I wish she would. I wish that necessity would occur; but it is uncertain whether she really needs it or not.

Mr. BARTINE. Your answer is very general, while my question was rather specific with regard to the condition of the masses of the people of Great Britain, and it was designed to draw out your opinion whether those masses had a sufficient amount of money or not.

Mr. RHOADES. I certainly think they have. I do not think the increase of money would do them any good.

Mr. BARTINE. You also suggested that you thought we had a sufficient amount of currency in this country. Do you think that if the currency of the country should stop increasing and remain where it is now, while the country goes on growing, business and population increasing with a currency not increasing, that equities would be preserved?

Mr. RHOADES. No; I do not think that. I think that if the Government of the United States are going to adhere to their policy of supplying the country with its medium of exchange in the shape of money, be it a metal itself or a circulating medium, as the country grows it will need more currency, but I think for the time being it has enough.

Mr. BARTINE. You say the present per capita is enough?

Mr. RHOADES. Yes, sir; and the fear I have is this, if I may be allowed to go to that point, that the Government going on pouring out this money the country absorbs it temporarily. You can keep it out the same as a bank can. A bank can shove its money out for a considerable length of time and you are not aware when the point of danger is reached until you come to take up some debt and find this money flowing back into the bank. You have this supply of bills and can not get them redeemed in anything but silver; that is, the Government will pay in silver. I think we are getting so much silver in active circulation that the time will come soon when silver will flow back into the banks and the banks can not get rid of it. The same is the case now, as you find that the Government can not push more than about fifty millions of silver dollars into active circulation. I think the country has to-day all the bills it will absorb for the time being.

Mr. WALKER. Are you familiar with the old Suffolk system of banking in New England?

Mr. RHOADES. No.

Mr. WALKER. Each bank might issue as much money as it chose up to its capital. The law forbade the bank paying over its own counter any bills but its own, and the moment any other bank got those bills it sent them to the Suffolk bank for redemption, and the bank issuing them must redeem them. It was determined in New England just how many dollars could be kept in circulation. You have an idea, have you,

that there is a fixed limit, but it is not ascertainable except by experiment?

Mr. RHOADES. Yes, sir.

VOLUME OF MONEY AND PRICES.

The CHAIRMAN. What is your opinion about the supply of money depending on prices?

Mr. RHOADES. I think the larger the supply of money—the more you put out—the more tendency there is to inflation. It can not be otherwise; that is to say, the prices will go up. If you go to-day into any of the markets of this country, to New York, and Boston, and Chicago, and Cincinnati, and St. Louis, and talk with your associates and with the bankers and merchants, they will tell you but one story to-day, that under the silver bill as it exists to-day, if it does not stay where it is that the country is going into a condition of inflation.

The CHAIRMAN. I want to know whether the amount of money necessary to do business depends on the price; whether if when prices are higher it does not take more money to handle the commodities?

Mr. RHOADES. Yes.

The CHAIRMAN. What would you say about the condition of prices being tested as to whether there was money enough or not enough in circulation? Suppose there is such a range of low prices that the people producing can not live?

Mr. RHOADES. I do not think that is a true test.

The CHAIRMAN. Suppose prices are universally low for all kinds of commodities without exception; what would you say that would indicate as to there being sufficient money in circulation? I ask that because it is the theory of certain gentlemen. They say that there is not a sufficient supply of money when prices universally range low.

Mr. RHOADES. I do not think that is the fact.

NO ANTAGONISM OF INTEREST.

Mr. WALKER. You spoke of commerce having sufficient money, and so on. Now, is it possible for the commerce of New York to have any interest in the question of the further coinage of silver aside from or antagonistic to the interest of the country at large?

Mr. RHOADES. No, sir; it can not be.

Mr. WALKER. Is not the Chamber of Commerce more dependent on the general prosperity of the country for its success and the success of its members than on any legislation whatever?

Mr. RHOADES. Certainly, beyond any question.

Mr. WALKER. That is to say, the interests of the bankers and the merchants are identical with that of the whole country, and their prosperity is necessarily bound up in the prosperity of the wage-worker and farmer of the whole country?

Mr. RHOADES. Certainly, and not only that, but if in the city of New York to-day, the banking and mercantile interests felt certain that further silver coinage was going to help the West and the business of the country they would all cry for it, because they are all dependent on the prosperity of the West, and anything that would make the West prosperous would make them prosperous.

VOLUME OF MONEY AND PRICES.

Mr. TRACEY. I understood you to say that the larger the supply of money and the more the output of money the greater the tendency to higher prices. That is, that a larger output of sound money would have an effect on prices. I understood you to say that it would.

Mr. RHOADES. It depends upon the nature of the money you put out. For instance, you could take the standard of gold, which is the world's standard, and you could open up large gold mines in this country and increase the gold production within ourselves. That increase which represents the value all over the world would naturally increase the prosperity of the country and prices of things. It depends upon whether you have that which is sound or that which is unsound.

TRACEY. I understood you to say that an increase per capita of money would have the effect of increasing prices?

Mr. RHOADES. Oh, yes; I think it would.

Mr. TRACEY. Although the money that would be given out by the Government would not be depreciated, would be a sound currency; I want to know why you think that?

Mr. WALKER. Is it not a fact that we have more money per capita than when the crisis in 1873 began? Has not the money per head been increasing so that to-day we have \$3 per head more than in 1873, when the crisis began, and yet prices of commodities have been decreasing all the time since 1873.

Mr. RHOADES. Yes, sir.

Mr. WALKER. Does it not depend upon whether it is the world's money, whether money is valuable or not?

Mr. TRACEY. We have been issuing under the new law a great deal of money, but that money up to the present has been as good as gold. Now, if we have increased it per capita I want to know whether you think that has caused an advance in prices generally?

Mr. RHOADES. No, not in that sense it has not. What I mean is this: All your products (anything that comes in connection and relation with other countries) must be governed by supply and demand in other countries, no matter what your currency may be. If, on the other hand, you overproduce anything in your own country the price must fall. It can not do otherwise. But, outside of that, anything in which there is not overproduction (if you cheapen the gold) is worth at your house just so much more.

Mr. TAYLOR. They appear to go up.

Mr. RHOADES. That is what I mean; they appear to go up. They go up nominally.

SILVER BASIS AND PRICES.

Mr. WALKER. You say that if we give free silver coinage we would have to purchase higher in the ratio with gold. I ask if every imported thing would not be at once 20 per cent. higher?

Mr. RHOADES. Certainly.

Mr. WALKER. That would send up higher the manufacturer's price of like goods?

Mr. RHOADES. Yes, sir.

Mr. WALKER. That was the fact from 1862 up to 1868?

Mr. RHOADES. Yes, sir.

MONEY IN FRANCE AND UNITED STATES.

Mr. BARTINE. France has a currency of \$57 per capita or thereabouts while we have at the highest estimate \$24. You seem to be under the impression that we have about as much as we are capable of absorbing advantageously. How do you account for the fact that France maintains so much more? I should like to have your view on that.

Mr. RHOADES. You put a question to me that I have not had time to think of. But my answer to that off hand is that —

There are two reasons that I would give for it: One is that the people are a saving people; that is they carry their money. The money does not go into active circulation. It is carried around in their stockings, and instead of being used in the exchanges of active circulation, a very large volume lies away and is no good to anybody but themselves when they want to part with it. A nation that adapts itself to that spirit of economy amounts to the same as if it took half of that currency and buried it in the earth, and it did not exist at all, because a redundancy of currency comes when you throw it into the marts of trade. If you bury it of course you reduce the circulation of the currency that much, and that is why I think France can carry this larger proportion of money per capita. The other reason is that the French are an intensely loyal nation. They have a profound faith in themselves and in their Government, and just as I stated heretofore that gold is flowing toward them and never away from them, and therefore they have confidence. It is that spirit of loyalty that is engendered into an old nation. If this country were as old as France I think this nation could carry itself longer on a redundant currency than it could to-day.

Mr. BARTINE. You ascribe it to the hoarding habits of the people?

Mr. RHOADES. Yes, sir.

Mr. TAYLOR. They pay a smaller proportion of their debts in checks on banks.

Mr. RHOADES. In the city of Paris the Bank of France has collectors—hundreds of collectors—that go around monthly and actually take the money, and the people do not use checks.

Mr. WALKER. Did you ever know a loan to be refused because of the lack of currency in a bank?

Mr. RHOADES. No.

Mr. WALKER. It is a lack of capital always, is it not?

Mr. RHOADES. A lack of capital, a lack of confidence sometimes.

Mr. TAYLOR. A lack of collaterals, too.

Mr. RHOADES. Yes.

Mr. WALKER. Is it not capital they want in the West and not money?

Mr. RHOADES. Undoubtedly.

Mr. WALKER. Their need is purely then a want of capital?

Mr. RHOADES. Yes.

Mr. COMSTOCK. Conceding that 90 per cent. or more of the business of the United States is done through the medium of checks, drafts, and bills of exchange, is not the per capita of the money in this country greater than that of France, which is \$57 per capita in coin and its equivalent?

Mr. SMITH. Comparing the two methods, it is greater in this country than in France.

FLOW OF SILVER UNDER FREE COINAGE.

Mr. WALKER. You have said that if there were a flood of silver here because of silver seeking this market, on account of the offers here, it

would depreciate the price of silver. I ask whether the offers here are not offers made to come here? You mean offers that are made abroad to send silver here, not of silver actually brought here?

Mr. SMITH. Offers that are made to come.

Mr. WALKER. Commercial offers to come from abroad are equivalent to silver actually coming?

Mr. SMITH. Yes, sir.

Mr. BARTINE. I want to ask you, in view of the fact that every piece of coin silver is absolutely at par with gold, what object those people would have in sending their silver coin here to be coined into American dollars of 1.29 per ounce?

Mr. SMITH. Your question is based on the silver being on a parity with gold. The silver of Austria is not on a parity with gold.

Mr. BARTINE. That is not on the parity of gold?

Mr. SMITH. No; nor is the silver of Italy nor of France on a parity with gold; it is only local money; it is on a par with gold when melted and put into bullion, and brought up to such a price. As I stated before, there is an inviolable law that wherever the prices are highest and the demand the greatest there a commodity will gravitate, and you can not stop it. If apples are wanted in Kamschatka, apples will go there.

HOARDING OF GOLD BY FRANCE.

Mr. BARTINE. In the purely silver-using countries, like Austria and Russia, I admit it is not worth its face value in gold, but where they have a mixed currency it is on a parity with gold. Nearly one-half the silver of Europe is in France, which is all at par absolutely with gold. A 5-franc piece of silver in France is worth as much as if it were in gold. What object has the Frenchman in bringing it over here and exchanging it for our coin?

Mr. RHOADES. The gold standard of Europe having been established by England, there is not a country there but what would be glad to increase its gold reserve if some nation would only raise the price of silver to a point where the loss would be only small, and then they would immediately turn it into gold.

Mr. BARTINE. Then is it your theory that this silver coin would be brought here and exchanged for gold, or would it be sold as simply silver bullion in the European market and brought here?

Mr. RHOADES. In whichever way the bringing of it here would involve the least loss. If France could put it in bullion cheaper and get 129 cents she would send it in bullion, but if she found it cheaper to send 5-franc pieces she would send it in 5-franc pieces. The only thing she would look at would be the exact loss to her. No nation having as much silver in circulation as France, and finding that it could turn that silver into gold at small loss would fail to do it. When they coined it they made a profit on it, and they would be willing to lose a portion of that profit to turn it into gold.

Mr. BARTINE. Unless the Government then took steps to demonetize its silver it would have to come through the medium of merchants, individuals, companies, and the like.

Mr. RHOADES. Yes.

Mr. BARTINE. In view of the fact that these merchants and individuals are all in the possession of coin which is worth its face value in gold for all commercial transactions and purposes, will you explain to me how any of them could possibly convert that into American gold to any advantage?

Mr. RHOADES. The merchant or any individual would not do it.

Mr. BARTINE. What you say then about France sending us silver is on the hypothesis that she is disposed to demonetize it?

Mr. RHOADES. Not necessarily to demonetize it, but to reduce her supply of it.

Mr. BARTINE. The Government of France does not own it, it belongs to individuals in the main.

Mr. RHOADES. It holds a very large amount of silver as reserve in its treasury, and then silver is coming in all the time.

Mr. SMITH. I mean to say this, that while gold and silver circulate equally and silver is a legal tender in France, at the same time France saves her gold. The Bank of France does save its gold reserve by refusing to pay out gold and forcing people to take silver when gold gets low. When people want to get gold and the Bank of France does not want to give it, they add from a half to 1 per cent.

Mr. WALKER. I sent my courier, when I was in Paris, to get gold in the Bank of France, and they refused him gold and offered him silver. I went there myself, and then they would not pay to exceed \$50 in gold, and I had to tell them that I was going out of the country and could not use their silver to get even that.

Mr. WILLIAMS. Do you say that gold is at a premium in France?

Mr. SMITH. No, sir; I say gold and silver circulate as of the same value in France with this exception, that the French Government through the Bank of France, in order to prevent the exportation of gold, put up the price from a half to 1 per cent. Suppose the Rothschilds wanted 10 million francs in coin, and 10 million francs in gold. They would say, "No, you can take the silver," and if then the Rothschilds said, "We want the gold to pay in England," the bank would reply, "Then pay us 1 per cent. on the gold." That is how the Bank of France protects its gold.

Mr. WILLIAMS. Does that premium on gold drive it out of circulation in France?

Mr. SMITH. No, sir; it is only in exceptional cases that this premium is asked. They hold on to their gold reserve by using that means. They say to the Barings, for instance: "We will not allow you to export that amount of gold to England unless you pay us the premium."

Mr. WILLIAMS. If there were any premium on gold in France it would be hoarded or driven out of circulation.

Mr. SMITH. After it gets above 1 per cent., yes. But it does not get above that. A banker can afford to pay from one-half to 1 per cent., but if you put gold above 1 per cent. in any market in the world it is merchandise and not money.

Adjourned to meet to-morrow morning at half past 10 o'clock.

The following communications were subsequently received from Mr. Smith and Mr. Rhoades and ordered printed with this testimony:

GOLD EXPORTS AND MONEY SUPPLY.

[Telegram from Chas. S. Smith.]

NEW YORK, February 12, 1891.

To Hon. C. P. WICKHAM,
Chairman Coinage Committee:

Application has been made to-day to Assay Office for \$1,600,000 gold for shipment to-morrow. Clearing-house banks have to-day more than \$20,000,000 in excess of legal reserve. Money on call is a drug at 2 per cent. per annum. Currency in shape of bills is now accumulating in New York banks far in excess of demand.

CHAS. S. SMITH.

SALE OF SILVER BY EUROPE.

[Letter from John Harsen Rhoades.]

NEW YORK, *February 12, 1891.*

Hon. CHARLES P. WICKHAM,
Chairman Committee on Coinage, Weights, and Measures,
House of Representatives, Washington, D. C. :

MY DEAR SIR: I was asked just before leaving the committee room last evening this question: "If France is anxious to rid herself of a portion of her stock of silver, why does she not now send it to India and dispose of it there?" I said in reply that I would answer that by a letter. The question was asked, I believe, by some one not a member of your committee; but it led to a few words of conversation on that point between the Hon. Mr. Bartine and myself. My answer to the question is this:

That in order to realize upon the silver which France might possibly wish to sell, it would be necessary to convert that silver into bullion, ship it to India, sell it in India at the bullion price for silver either there or in the markets of the world, convert the proceeds into sterling exchange, return it to France, and as the price of silver to-day is but about \$1 per ounce the loss would be too great; but if India would raise her purchase price of silver bullion to \$1.29 per ounce, or its equivalent value in pounds sterling, then the test would come as quickly with India as it will come should the Government of the United States declare for free coinage on the above ratio.

One other argument which I had intended to use before the committee last evening, but forgot to do so in the press of questions which followed the presentation of the committee's report was this: If the Government of the United States can now buy the entire production of our own mines and more, at about \$1 per ounce, is it not positive evidence that the supply of silver in sight in this country and in the world at large is so great as to make competition for the time being sufficient to prevent the owners of silver bullion here advancing the price? And is it not evidence that there is either silver enough to supply the present demands of England and the Continent, and also the demand for use in the arts and for manufacturing purposes, in addition to the enormous purchases by our Government; or that the Governments of Europe will not buy for the time being at the existing price, believing it to be higher than can be permanently maintained? And if either of these propositions is correct, can there be any doubt that the arbitrary raising of the purchase price by the Government of the United States from \$1 per ounce to \$1.29 per ounce will not only lead the Governments of Europe to continue to withhold their purchases and consequently pour upon this country every dollar of available silver from all the markets of the world in which such supplies exist?—to which, of course, would be added, as I have already argued, increased production and the probability that the Governments of Europe will not only refuse to purchase additional supplies of coin, but be disposed to part with large amounts now held by them.

I have the honor to remain, yours sincerely,

JOHN HARSEN RHOADES,
Of Committee, Chamber of Commerce, New York.

THURSDAY, *February 12, 1891.*

The committee met in the room of the Committee on Ways and Means at 10:30 A. M. Present, the chairman (Mr. Wickham) and Messrs. Walker, Comstock, Bartine, Taylor, Tracey, Wilcox, Williams, and Vaux.

ADDITIONAL STATEMENT OF MR. FREDERICK FRALEY.

POUND STERLING AS INTERNATIONAL STANDARD.

Mr. WALKER. I would like to ask Mr. Fraley two or three questions in reference to exchanges, the world's money, what the denomination of it is, and whether or not there is an international money which has been in existence for centuries. I would like for him to state what it is—whether it is or not sterling exchange.

Mr. FRALEY. Ever since the resumption of specie payment took place in Great Britain, which was about 1823 or 1824 (when the complete resumption of specie payment took place), and the commercial operations of the world began to take a normal condition, from that time up to the present, I think what is usually termed the balance of trade of countries dealing with each other and dealing with Great Britain, have been settled in pounds sterling of Great Britain. Their currency from that time up to the present has been so stable in its character, resting upon their well known plan of adjustment of silver to gold, that settlements, based upon their financial system, have been more certain and simple and better understood throughout the commercial world than any other settlements that I know of between countries dealing with each other.

Mr. WALKER. That is, all countries upon a silver basis, in dealings with the world, have made their exchanges on a gold basis.

Mr. FRALEY. The coinage relations of Great Britain have remained very permanent ever since the time I mention, upon a valuation of 17 shillings and 10 pence for an ounce of standard gold.

Mr. WALKER. Is it not held that pound sterling means gold, and while anything else may be used in settling it is always valued in pounds sterling?

Mr. FRALEY. Yes, sir; that is it. The relations of silver to gold in Great Britain are as 1 to 15 in their coinage, but their silver coinage is limited to payment not exceeding 40 shillings, or about \$10.

Mr. WALKER. Is it not a fact that by taking silver to the bank they can get gold for it?

Mr. FRALEY. The quantity in circulation is relatively so small that it is all absorbed in the small dealings of the country, and they are very jealous of any increase of that currency. Propositions have been made by the chancellor of the exchequer, in an informal way, to enlarge the silver currency of Great Britain, but those propositions have always met with disapproval and have been abandoned. The present chancellor of the exchequer, Mr. Goschen, feeling that in regard to small transactions there was some difficulty about the introduction of gold into the minor business of the country, proposed to diminish the weight of the half-sovereign so as to keep it in circulation, instead of sending it away, as exchanges might arouse call for the shipment of coin, and to keep that in the country. He has been unsuccessful in his efforts in that direction, and in the attempt to get into circulation a coin that would be redeemable in gold, and be in denominations of less than the half-sovereign. I believe he is seriously considering the authorization of the issue of one pound notes by the Bank of England.

Mr. WALKER. Is it not a fact that in all international trade the exporter or importer, whether he pays in silver or in gold, the purchase is made at a gold price?

Mr. FRALEY. Everything, I think, in England is measured in gold.

Mr. WALKER. I mean, in the world at large.

Mr. FRALEY. Being so measured in England it is a countersign to the whole world to adjust its international matters accordingly.

Mr. WALKER. Are they not compelled to do so by the laws of trade?

Mr. FRALEY. They are undoubtedly compelled to do so by the laws of trade. It is the great center around which all the commercial transactions of the world in their settlement revolve, and whether that center will be removed from Great Britain in the course of a few years or many, it is impossible to say. Our country is getting to assume a position that, I think, if we are wise and keep our monetary arrangements

upon a simple and sound basis, will tend to accelerate that time, and that we will become the leading commercial nation of the world, and settlements will be made in the United States instead of being made in England. Of course, if they are made in the United States they will be settled upon our currency, just as they now are upon the currency of Great Britain.

PROFITS OF INTERNATIONAL EXCHANGES.

Mr. WALKER. Have you in your mind any estimate of the value to England of the commissions that she receives on the world's exchanges at London; that is to say, what would be the advantage to this country of having the monetary exchanges of the world removed from London to New York or Chicago?

Mr. FRALEY. I would say in a general way that I would consider it in general from one-half to 1 per cent. of the handling of those transactions.

Mr. WALKER. One-half to 1 per cent. of the trade of the world?

Mr. FRALEY. Yes, sir.

Mr. BARTINE. You are referring, of course, to that portion of the world's trade which passes through London as the commercial center?

Mr. FRALEY. Not to that alone, but also because the dealings of all great nations are finally settled in London at the present time. It is the great clearing house of the world, and like our clearing houses in the United States, the balances must be paid actually in coin amounts, and probably a small percentage of the whole, as we see in our domestic transactions that it only requires about 10 per cent. of coin to work the ordinary purchases of the people for their domestic supplies, and also in settling balances between banks.

Mr. BARTINE. Then you mean that the profit would amount to one-half or to 1 per cent. of the balances which are settled.

Mr. FRALEY. Yes, sir.

Mr. WALKER. The balances would be about 10 per cent. of the total international trade.

Mr. FRALEY. Yes, sir. They are settled at what might be termed barter to the extent of the international settlement, and then those balances, which are comparatively a small amount, are paid in coin by the transfer of coin or its equivalent from the debtor country to the representative of the creditor countries.

Mr. WALKER. Touching the history and development of commercial customs and laws, are not the laws that govern the transactions of men in their trade relations as inexorable as the laws of nature in reference to physical things?

Mr. FRALEY. I consider that the laws of trade are as inflexible as the laws of nature. They may be disturbed temporarily, but the tendency is to overcome obstacles and calamities that affect the world, such as war, pestilence, and famine, and at the moment those obstacles, which are like mole hills in the way, the great inexorable laws go on. I have seen in the course of my experience no reason to change my opinion on that subject.

GOLD STANDARD AND ENGLISH SUPREMACY.

Mr. BARTINE. You speak of England or London having for a long time been the great clearing-house of the world by reason of the stability of the English currency. In your judgment, aside from any

question of the stability of the currency, has the commercial supremacy of England had anything to do with that?

Mr. FRALEY. I think it has had a great deal to do with it, and in this way, because the enterprise of the commercial people of England carries their flag and their products to every country in the world. They endeavor to enlarge their commerce in every direction, and to buy in the cheapest market and to sell in the dearest market, and thus her commercial operations being upon such an extended scale and reaching to all parts of the world, by their great shipping interest, it gives them just as much supremacy over the commercial movements of the world as an enormous army has over the destinies of a country which it invades. The English are the great invaders of commerce and the great conquerors, and have reaped the fruits of their conquests.

Mr. BARTINE. Suppose that no change has been made in the currency of England in 1816, or, instead of establishing a gold standard at that time, she had established the standard of France; do you think it would have made any difference in the commercial supremacy of England?

Mr. FRALEY. I think it would.

Mr. BARTINE. I would be pleased if you would tell us why.

Mr. FRALEY. Because the settlements made in France are determined by what may be termed two reservoirs, one containing gold and the other containing silver. So long as those reservoirs remain in stable equilibrium, there is no tendency to use one in preference to the other, but the moment a draft is made upon a country having such reservoirs, equal or nearly equal, the draft is made upon that material which is not of the highest price, and it has to go out. You can not fix by law any stable relation between the two metals. Their stability is to be overturned by the deficiencies in exports and imports, and the only way to establish its stability is to pay the debt which is the cause of the instability, and when the debt is paid, then matters go on in their normal course. Perhaps I could illustrate it in this way: If exchange on London from New York goes up to \$4.90 or the fraction of a pound sterling, that is an indication that there are not commercial bills enough in the United States to settle the existing debt, and a draft is made upon the United States to pay that difference in coin. It is not paid in silver because if silver goes to London, it has to be sold at the present time for 47*d.* or 48*d.* an ounce. If it goes in gold, it commands the gold price in England and settles the bill in the most advantageous form not only for the United States but for England.

PRICE OF SILVER NOT CONTROLLABLE BY UNITED STATES.

Mr. WALKER. You speak of the inflexible character of the laws governing finance and their inflexibility in controlling the adjustments and action of men, and furthermore of the fact that for a century gold has been the international money; I would like to ask you to state to us the task that is set in raising the value of silver commercially to the value of gold if we give free coinage to silver. Is that possible in your judgment, or is it at all probable that silver will appreciate in its commercial price with reference to gold by giving it free coinage here alone in view of what has been said about the international money of the world?

Mr. FRALEY. If I understand your question properly, I will say as I have said before, that I still consider the laws of trade as inexorable and inflexible, and that they must be obeyed in the transactions of the United States with the world at large.

Now, if the United States could put itself in position to buy all the silver that is in existence in the world at the present time and the mining of silver was stopped, the command of the whole of the silver of the world would enable the United States to fix any price upon it that it would care to fix, just like a monopolist in any branch of business, getting possession of the whole of any commodity in existence at the time, names his price, and if anybody wants it he must pay the price. But it is impossible for the United States, I think, to put itself in that position, and therefore it must necessarily deal with the silver which is afloat in the world. If the United States begins upon the free coinage of silver any man anticipating free coinage of silver and desiring to make his profit out of it would buy it at the present market price and hold it until the United States agreed to pay him in the currency of the United States a profit of 25 per cent. upon the market price of silver at the present time, and the result would be, I think, that when the United States had exhausted the supply of silver that is in sight, to use a trade expression, why, of course, for a time silver would probably command in England a higher price temporarily than it does now, but the moment the contribution from the mines of the world began to flow into the country's reservoir the great silver market of the world as well as of every thing else, the price would recede until it should fall relatively to what it is at the present time.

BUSINESS UNDER DEPRECIATED CURRENCY.

The passage of the act of 1878 was just before the resumption of specie payment in the United States. Immediately after the passage of that act and I think for two or three years, the standard dollar of the United States was really worth as a bullion product about \$1.06, but from '78 down to the present time, it has steadily declined in its value, and when silver bullion of the standard bar silver in the English market, 925 fine, got to be 40 pence, the value of our dollar got down to something like 95 cents, I think, and if you examine the report of the Director of the Mint, in which the value of the American dollar is given for a long series of years, you will see a steady decline in the purchasing power of that dollar in the markets of the world. So long as there is no call for the importation of the precious metals of either kind, the domestic exchanges of the country are not affected. People, without thinking about it make purchases and pay debts. Everybody is willing while there is confidence to take the money of the country, and if a man owes a debt of \$10 and he offers ten silver dollars in payment the creditor is willing to receive them because he can pay his debt in the same money without being subjected to any loss. But after a while if there is any increase in the currency whether gold, silver, or bank notes which tends to raise the price of commodities in the country where that process is going on, and tends to make that currency relatively less valuable outside of the country. The excess of production goes abroad and is sold in the market to which it goes in the currency of the country to which it goes.

So long as the currency of the United States is relatively equal to gold, there is no loss in price, but if it goes to a country where the currency is less valuable than that of the United States, it commands a less price in the currency of that country, and the man who receives payment in that currency if he will export to the United States and convert it into currency of the United States, will get the advantage of such conversion.

I referred last evening to the great suspension of specie payment

which took place in 1837. I happened at that time to be engaged in commercial business, and a partner of mine in Birmingham came to me and said: "Mr. Fraley, I do not know what I am going to do. I have settled with my customers here in Philadelphia my invoices of exchange in England at the time I made those settlements"—say at that time about 9 per cent.—and this suspension of specie payment has put up the price of exchange 15, 18, and I think at one time it went as high as 20 per cent. He said to me, "What shall I do? These gentlemen with whom I have made settlements are not obliged to pay this difference in exchange. Their notes are not due. I can not get them to pay anything more than the current money at this time." I said: "What I would do would be to go to those gentlemen and say, 'Give me your note at four or six months.' If you are prepared to offer them six months, so much the better, for by that time I think this state of affairs will be over, and you will be able to purchase your exchange at the rate at which you made these settlements." He said: "How would you like to have me present that proposition to one of your neighbors?"

The neighbor he referred to was an old Quaker gentlemen of steady habits. I said, "I have no objection, but I know he has some notions about these matters and is a man who might not accede to the proposition." He went, and to my surprise he returned and said, "Mr. Justice agrees with you entirely, and I will adopt your suggestion." He indicated that intelligence to the Board of Trade of Birmingham. They saw the feasibility of the transaction and the probable advantage of it, and those settlements were made to a very great extent, and the result of it was that my friend within a little less than 6 months had settled at a little less than the price at which he had originally made his settlements. At the same time the cotton crop of the United States, which was one of the great helps to the settlement of our indebtedness abroad, declined in price to such an extent that induced very large shipments of gold to the United States for making those purchases, and I think that within 18 months after the 11th of May, 1837, the British sovereigns had come into South Carolina and North Carolina and Georgia, for making purchases of cotton, and they were sent back to me to be converted into our own currency and to be remitted to the holders in the very bags in which they had been sent from London to the Carolinas to make those purchases. As a more modern illustration of the way in which those settlements are brought about, I will mention the fact that when the Barings got into trouble the Bank of England became fearful of a panic and there was some disturbance. It borrowed £3,000,000 from the Bank of France in order to provide for any possible run upon them, and within a few days I have seen a statement that as the time for the repayment of that money will come about the 1st of March, that coin which was borrowed from the Bank of France has remained in the original packages in which it was received, and is to be returned to the Bank of France intact as it was received. Mr. Cook tells me that \$2,000,000 of that money have already been sent to France.

The great underlying point of everything, I think, connected with financial operations of our own country with France, the civilized world where they have a currency at all, is confidence. As long as confidence exists, there is no trouble, but the moment there is a movement in the direction of a want of confidence, it comes on like a rolling snow ball, and finally culminates in a panic, and the consequences of all panics is a complete revolution, for the time being, of everything. When this trouble began in London, there was an immediate appearance of a want of confidence in our country, especially in New York, and to a less ex-

tent in Philadelphia, and there immediately became a tendency to withdraw coin from the banks and to hoard it.

ADDITIONAL CURRENCY IN PANICS.

Mr. WALKER. Upon the matter of prices in England, I will go back to the question of silver. Was it not suggested in England and was the project considered at the time of the crisis there of issuing more currency, and was that proposition not rejected?

Mr. FRALEY. That was one of the projects for relief.

Mr. WALKER. And it was rejected?

Mr. FRALEY. Yes, sir.

Mr. WALKER. Then the loan was not of currency, but of capital. The Baring Brothers had loaned their credit to the extent of \$75,000,000.

Mr. FRALEY. They overtraded to an enormous extent in the hope that they would make considerable profit, but it turned out otherwise. Perhaps I can answer in the line of your question by turning back to another page of financial history. The Bank of England is authorized to issue £15,000,000 in round numbers without having any coin in its vaults with which to replace those notes. That is the amount of the fixed debt of Great Britain advanced nearly a hundred years ago, I think, to Great Britain, and the bank is authorized to issue notes to that extent without having a dollar of coin in its vaults to repay that amount with. Beyond that amount, for every £5 note they issue they must have 5 sovereigns in gold in the vaults, and that gold is the reservoir from which the settlements against England have to be made, and as that coin is withdrawn from the bank, of course it must diminish its loans to bankers, traders, and manufacturers, and to the local banks of the country, and as they call upon them for payment money becomes scarce, and if it goes on, it leads to a panic. Such panics existed within my recollection two or three times, and it has been overcome by an order in council authorizing the bank notes to be issued without having coin in its vaults to repay them, and of course the element of confidence comes in as soon as that process is resorted to and the panic is all over. People find that they can get what serves them as money for conducting exchanges and paying debts, and the thing is quieted down and failures are avoided, and the council gets absolution from Parliament for what they have done.

Mr. WALKER. In the last crisis that was not done.

Mr. FRALEY. No. Instead of resorting to that in this recent disturbance, arising from the embarrassment of the Baring Bros., the Bank of England, instead of getting an order from the council to increase its circulation, borrowed the coin from the Bank of France.

Mr. WALKER. Is not that practically done between the New York bankers, instead of issuing currency?

Mr. FRALEY. Yes, sir. The same process was resorted to in New York, Boston, and Philadelphia by the banks making arrangements with each other that they would issue clearing-house certificates, and that they would take those certificates in settlement between each other.

Mr. WALKER. The correspondents of the Baring Bros. loaned them \$75,000,000. In your judgment, if that had been lost would not the loss to those banks probably have been less than if they had allowed the Barings to go by the board and fail?

Mr. FRALEY. I can only answer that by saying that it would be impossible to measure what sort of calamity would come. Of course the

banks and bankers who agreed to guaranty the Barings debt, if there is an ultimate loss, will be the sufferers; but it may be better for a man to bear an ultimate loss than to bear a present loss, because if the loss is to come within a year or two instead of coming within 24 hours, he has time to gather himself together and to obtain strength, and to diversify to some extent his business, and to prepare for an ultimate loss; but if it comes upon him suddenly it is like paralysis striking the human body, it is so sudden that it may be fatal.

Mr. WALKER. That would have been a wise measure in any event.

Mr. FRALEY. I think wherever a palliative can be administered which is no worse than the disease, that it is wise to administer the palliative.

Mr. WALKER. Let us come back to the effects of the function set for silver if we give it free coinage. Is it a fact that it would have to change the international customs of a century and change values the world over, and appreciate silver the world over to gold?

Mr. FRALEY. I do not know; perhaps it would.

Mr. WALKER. Do you think it is probable that silver would appreciate in its relation to gold by this country alone passing the act for free coinage? Is there any probability that it would be permanently advanced in price?

Mr. FRALEY. I think not.

SILVER IN GERMANY.

Mr. WALKER. You are familiar with the demonetization of silver in Germany. Up to that time, if I understand, that was a silver standard country. Was not the demonetization there brought about largely by their desire to become a commercial nation to a larger extent than they had ever been before, and the first step to accomplish that was for Germany to adopt the gold standard instead of silver?

Mr. FRALEY. Germany attempted by that act to accomplish what you have just suggested, but it has proved to be like a battle between a dwarf and a giant. Germany has done more to demonetize silver, for she has been obliged, if I understand the Government rightly, to endeavor to promote the domestic industries of the country and give their people profitable employment by hedging them in with what we understand in this country to be the protective tariff.

EFFECT OF DOUBLE STANDARD ON FRANCE.

Mr. BARTINE. I do not wish to take much of the time of the Committee, therefore I would like to ask three or four questions consecutively and without interruption.

In your remarks you spoke of the soundness and stability of the English currency as being in great part caused by London being made the clearing house of the world, and I asked you if in 1816 she had adopted the double standard whether that would have prevented her from acquiring the commercial supremacy which she has obtained, and you expressed the opinion that it would, and gave your reason by describing the ebb and flow of silver and gold. Conceding this ebb and flow, which I am prepared to do in a measurable degree, I now ask you, has France ever sustained any particular injury therefrom, and is the objection to it not theoretical rather than substantial?

Mr. FRALEY. I think it is not theoretical so much as it is substantial. France is, to a certain extent, like our own country in the great family

of the world. She is eminently a self sustaining country. Her outside commercial transactions are much more limited than those of Great Britain and more limited than those of the United States.

Mr. BARTINE. Allow me to suggest upon that point, that her foreign commerce is considerably in excess of the foreign commerce of the United States.

Mr. FRALEY. I grant that, but still practically we may adopt the two countries as types of each other. We try to preserve our home markets; we encourage perfect freedom of trade between the States; we endeavor to multiply trade in all directions by the construction of railroads and procuring railroad facilities; by the improvement of rivers and harbors, and so on; and endeavor to make our country more and more self-sustaining. You will recollect that there has practically been no silver coined in France for a number of years.

Mr. BARTINE. I am referring to the period up to 1874, while they had free coinage.

Mr. FRALEY. Well, you see that although we have had comparative peace among the nations ever since the battle of Waterloo, yet there have been occasional disturbances of short duration, and those disturbances have influenced the relations of trade to a greater or less extent, and you have to take all those elements into consideration in discussing a question of this sort. I think one of the most uncertain of the so-called sciences is the science of political economy.

Mr. BARTINE. I fully agree with you there. It is largely theoretical.

Mr. FRALEY. What is supposed to be thoroughly demonstrated in that science in one year will demolish preconceived theories, and my experience has taught me, so far as I have had anything to do with the world, to take the world as it presents itself, and to deal with questions arising in what seems to be in the direction of safety. We can spin out very nice theories of plans of trade and relations of gold and silver to each other, but after all it comes down to this point: What is the result to the world? What can you do with the dollar of any sort at any time? You may do more with it in 1890 than in 1894, or you may do less with it than you can in 1895. You can not tell where the elements of disturbance come in, and all that you can do for your own protection and the protection of the community is to settle upon some point which has the largest amount of experience in its favor, and that has remained undisturbed for the longest period of time, and you will find that after the flurry of the moment is over that it is the cornerstone and in its original place, and will be found to be a good foundation to build upon and to enlarge upon.

GOLD STANDARD AND ENGLISH SUPREMACY.

Mr. BARTINE. Recurring to the matter of commercial policy in England, I will ask you if the cause of England's commercial power, as a matter of history, does not take its date from the discovery of the American Continent, and the transfer of the commercial front of Europe from the Mediterranean to the Atlantic.

Mr. FRALEY. I should say yes.

Mr. BARTINE. I would ask you to draw a line at about 1816, when England established the gold standard, and ask you to say if she has attained any especial prominence commercially, comparatively speaking, since that time? Was not her commercial prominence established prior to 1816?

Mr. FRALEY. I think not.

Mr. BARTINE. Relatively speaking now ?

Mr. FRALEY. Yes ; I understand. You know there was a time when the commercial supremacy of the then world was centered very much in Spain.

Mr. BARTINE. But it was long prior to that.

Mr. FRALEY. But that continued to operate, and when the colonies to Great Britain were established in the United States, as those colonies increased in population and in production, Great Britain by its legislation controlled all the products of the colonies. She shut out the ships of other nations than those of Great Britain from dealing with her colonies, and in that way laid the foundation to a considerable extent of her commercial prestige. She has gone on steadily in that direction ; she has protected her commerce both foreign and domestic, by the shipping laws that were passed in the time of Cromwell, and they continued in force down to, I think, about 1818, if I recollect aright ; when, having secured what might be called a very large share, not to say a monopoly of the transportation of the world, she said, " Well you may now buy your ships anywhere and register them and sail them under the English flag." England claims that they have accomplished in great part commercial supremacy by that enactment, although it has not diminished, I believe to any extent, the building of ships in Great Britain, because they have secured to themselves the advantage of machinery and economic production of iron and steel, and considerable superiority in mechanical work, as I said before, and these great changes in the world are worked about, not so much by any fixed principle as by those developments which come from the activities of the world.

If you trace the history of the cotton manufacture in England to the revolutions worked by the inventions of Cartwright and other inventive men, you will find the moment machinery is put in work in aid of human hands you multiply the profits and make articles so much lower in price than ruder nations can produce them, that when you carry them into those countries you can undersell them in business and reap the fruits of it. But, as I have endeavored to say, if you can hold those advantages by a stable currency you put yourselves in a position to hold on to that advantage. They do not fluctuate so much when you are on a safe and stable basis.

Mr. BARTINE. In reply to a question of Mr Walker you said that the exchanges of the world were substantially made in pounds sterling, as I understood you, and the final balances were settled in pounds sterling.

Mr. FRALEY. Yes.

Mr. BARTINE. Does that signify anything more than that pounds sterling are taken as the unit of computation ?

Mr. FRALEY. That is all. The pound sterling has been undisturbed by the legislation of Great Britain from the time it was originally established.

Mr. WALKER. It is not coined.

Mr. BARTINE. The sovereign is coined. Are the guinea and the sovereign the same ?

Mr. FRALEY. The guinea is 21 shillings, and the sovereign is 20 shillings. That is a pound sterling.

LEGISLATION AND VALUES.

Mr. BARTINE. You have spoken a number of times of the laws of trade being inexorable—as much so as the laws of nature. In view of

the fact that the laws of trade must necessarily operate through human agencies, while the laws of nature operate entirely independent of human agencies, don't you think the word "inexorable" is a little strong?

Mr. FRALEY. Well, no. When you understand exactly what you mean by it. The meaning that I attach to it is this; that a pound is a pound, and you can not make it by legislation something less; but you then have not the inexorable law in existence.

Mr. BARTINE. But, nevertheless, economic laws always operate through the agency of man, and every law touching economic matters that is placed on the statute books of any country must necessarily to some extent affect values, and thus aid in controlling the laws of trade.

Mr. FRALEY. To some extent.

Mr. BARTINE. You can not change the abstract principle of supply or demand, but you can increase the supply or the demand by human agencies.

Mr. FRALEY. Not simply by agencies. There must be something more than the will of man to do it; but if the supply is more than the demand, one of two things of course must happen, the supply remains locked up in the warehouse waiting a demand for it, or the supply is sacrificed by somebody buying it upon speculation, in hope that the demand will very soon overtake or exceed the supply.

Mr. BARTINE. Do you recognize the fact that the laws of the United States creating protective tariff have effect upon values in this country?

Mr. FRALEY. I think to a certain extent that for a time it has an effect upon values.

Mr. BARTINE. It has an effect as long as the law is maintained, has it not?

Mr. FRALEY. It has an effect so long as it tends to increase the supply of manufactures of domestic origin.

MONEY AND PRICES.

Mr. BARTINE. Do you think that in the financial and commercial business of the world that the volume of currency should expand relatively to the growth of population, or business or both?

Mr. FRALEY. I think it should expand in a certain degree as population expands. I am speaking now more particularly with reference to our own country than to a country like Great Britain, which so far as territory is concerned you know is of limited area, but in the United States, where our population is rapidly increasing, and increasing at considerable distances from the old centers of population, it is necessary that there should be to meet the wants of the increasing population in remote parts of the United States an increase of the circulation of money of the country; and I have therefore always favored the idea of providing in some way for an expansion of the currency.

Mr. BARTINE. Why do you think the currency should expand with population. Why not keep it stationary?

Mr. FRALEY. Because if you keep it absolutely stationary you would at last reach a point where the customs would have no circulating medium at all.

Mr. BARTINE. What effect would that have upon prices?

Mr. FRALEY. It would have a tendency to reduce the prices of commodities in the exterior circle of the country.

SILVER FROM FRANCE.

Mr. BARTINE. I want to state a proposition, and then I would like you to answer it in your own way. You have spoken a number of times about the profit which might be realized by any person who desired to buy up silver and bring it to the American mint in the event of our establishing free coinage. Our coinage ratio, as it now stands, gives to silver a valuation of \$1.29 per ounce. The coinage ratio in France gives to silver a value of \$1.33 per ounce, omitting fractions in each case. That coined silver in France is at par with gold. It performs there all the functions of money, and will buy as much of anything as the same nominal amount of gold coin will buy, and France contains nearly one-half of the entire amount of coined silver in Europe. Now will you explain how any man can realize a profit by melting down silver in France that is worth there at the rate of \$1.33 an ounce, transporting it to America, and converting it into our dollars at the rate of \$1.29 per ounce, receiving in return a silver dollar, which, according to your theory, will be depreciated, and make any money on the transaction?

Mr. FRALEY. As I understand it, the transactions in the purchases of silver in France are not in the purchase of the coins of France, but in the purchase of silver bullion, and that silver bullion is purchased in France, and practically at the same rates that it is purchased in London.

Mr. BARTINE. You do not mean that coin is being bought as bullion in France?

Mr. FRALEY. Coin is not bought as bullion in France. I doubt if you could buy it at all as bullion, because they have not more than enough to supply the domestic wants of the people of France. It would have to be considerably enhanced in price if you could purchase it as bullion. Our two half-dollars were, under the enactment of 1853, in order to keep it here, made of the same weight as the five-franc piece. They contained about as much silver (that is, the two half dollars) as the five franc piece, and the same result has attended that arrangement as has attended the silver coinage of France; it has kept it all in the United States. It is useful for those exchanges of small coin which the people of both countries require for their hand-to-mouth and hand-to-hand transactions; they are kept on hand to meet emergencies.

Mr. BARTINE. What you have said with reference to the currency of France would also apply to that of Italy and other countries and to the states of the Latin Union?

Mr. FRALEY. I think in a measurable extent it would. The other States have a less proportion of silver in proportion to the population.

Mr. BARTINE. Then, as I understand you, the flood of silver which we have to fear in the event of the establishment of free coinage would not come from the coined silver, which is the currency of Europe, but the uncoined bullion. Have you any idea how much bullion there is?

Mr. FRALEY. No; that is it. You can not tell what sources the supply of such a matter as silver will spring from.

MEANS OF EXPANDING CURRENCY.

Mr. BARTINE. It is more or less uncertain. In what way would you provide for an elastic currency to keep up with the growth of population?

Mr. FRALEY. One of the ways of providing it is contained, I think, in

the present coinage act of July, 1890. I think that under the operations of that law, so far as I have been able to formulate an opinion upon it, would be this: There will be from time to time an accumulation in the Treasury of the United States of the Treasury notes issued under that act by the payment of duties and internal taxes, and then, if a stringency occurs in the money market, that would be made elastic by the purchase of the bonds of the United States so long as there were any outstanding, and in order to relieve the money market, in that way the Government of the United States will have to pay the holders of those bonds the premiums that they will demand for them, or the money will have to be gotten out of the Treasury by enlarging the provisions made by Congress for expenditures in fortifications, or upon the Navy, or upon rivers and harbors, and so on. In that way the money would be gotten out.

Mr. WILLIAMS. Would you favor the latter plan of expanding it on rivers and harbors?

Mr. FRALEY. In regard to another way, the other process would be a resort to the enlargement of the powers of the national banks of the United States to issue currency in some other form than as now provided for by law. They are limited now, you know, in their issues of circulating notes to 90 per cent. of the par value of the bonds which they deposit. If the Government of the United States were to say that they should be permitted to issue notes, with a certain percentage of specie to represent these notes, just as they are permitted now to receive and hold deposits upon the requirement that they shall keep a supply of legal money to the extent of 25 per cent. of their deposits, then they might, upon such a basis, provide an elastic currency, and regulations in regard to that matter would prohibit their going beyond a certain limit in the issue of such notes. One feature of the national-bank law is in operation at this time, under which 5 per cent. of the amount of circulation of a bank is deposited in the Treasury of the United States for the redemption of their notes, and while that provision of law has been in existence we have seen that the banks presented their notes, which were settled for by the 5 per cent. and had returned to them their issues. In keeping up 5 per cent. of the redemption fund they are permitted to keep their circulation going. That is one way in which the currency may be made elastic.

If you carry it up to what our New York friends stated to be the danger point you will have occur what has taken place a great many times, the suspension of specie payment, and you will have to be brought back to specie payment by tribulation, sorrow, and failures, and partly by remedial legislation. I suppose that if the existing condition of things in the United States for a redemption fund of certainly not exceeding 15 per cent. would enable the banks to have an elastic currency to supply the demand which occasionally happens—it happened one time in the West, another time in the South—for more currency than happened to be at hand at the moment, and as long as the banks found there was a demand for a circulation they would keep it; but the moment the demand ceased it would be returned home upon them and rest quietly in their vaults until a new emergency for its use arose.

Mr. WILLIAMS. What is the basis of circulation?

Mr. FRALEY. The basis of circulation is 90 per cent. of the par value of their bonds. The bonds are the basis of the circulation. Then, in addition to that, they are required to provide a fund of 5 per cent. of their circulation deposited in the Treasury, being for the redemption of their notes. Bank A gives a hundred thousand dollars' worth of these

notes to Bank B; and instead of sending it to Bank B, which may be a considerable distance from Bank A, they transmit those notes to the Treasurer of the United States, and he returns them legal-tender notes deposited by Bank B in the Treasury to the amount of those that are presented for redemption, and he immediately calls upon Bank B to pay the amount of the redemption; and in that way distant banks are made practically to pay their notes in legal tender at New York, Philadelphia, Boston, or Cincinnati, where Bank A happens to be.

Mr. WILLIAMS. What would be the basis in case the bonds were paid off?

Mr. FRALEY. You have got to provide something. There is another thing you might resort to, which I would deprecate very much, and that would be the incorporation of a large national bank with permission to issue notes just as the two national banks heretofore were permitted to issue them, and just as the State banks used to be permitted to issue them; but now they have been legislated against. If they should attempt it now, they must pay a tax of 15 per cent. on their issues.

Mr. WILLIAMS. That would place the direction of the currency in the hands of the bank issuing it?

Mr. FRALEY. Oh, yes; you will recollect that we lived under that sort of arrangement for a good many years, and it was only broken up by the failure of so many banks in 1837, and the establishment of the subtreasury plan.

SILVER FROM FRANCE.

Mr. WILLCOX. If France had not suspended the coinage of silver, do you think it would have continued upon a parity with gold to the present time?

Mr. FRALEY. I think not.

Mr. WALKER. In France there are two resorts for the holding of money; one is the tin can, the old box, or the pockets of the people, and the second is the Bank of France; and do you think if we had free coinage of silver the bank would substitute gold for silver?

Mr. FRALEY. Possibly they would.

Mr. WALKER. Is it probable?

Mr. FRALEY. Probably they would.

Mr. WALKER. England buys, of course, in the cheapest market, and sells in the dearest. Being upon a market basis in her intercourse with silver countries, would she not make different prices in silver countries than she would in those on a gold basis?

Mr. FRALEY. I think that an illustration is to be found in the condition of things in the Argentine Republic at the present time, where it takes, say, \$200 worth of their currency to buy \$100 worth of English coin.

Mr. WALKER. That is to say, that \$100 in English money is worth \$200 or \$300 of the money of the Argentine Republic?

Mr. FRALEY. Yes.

GOLD CONTRACTS UNDER FREE COINAGE.

Mr. TAYLOR. I would like to have an answer to one practical question. We have had a great deal of theorizing. What do you propose to do in your bank to protect the money of the depositors provided we should pass a free coinage bill? What course will your bank pursue to protect the money of the depositors? In other words, on what will you loan it?

Mr. FRALEY. I suppose that if the free-coinage act passes and if under that act Treasury notes coming in exchange for silver are made a legal tender, that we would pay our depositors in that legal tender until we should consider whether we would close our banks entirely, or put it upon a gold basis.

Mr. TAYLOR. What kind of security would you take in loaning money?

Mr. FRALEY. I should make all loans payable if required by us in gold of the present standard weight and value. I suppose that would be the inevitable consequence of such legislation.

On the conclusion of Mr. Fraley's statement, Mr. Joel Cook of Philadelphia made a statement, as follows:

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Thursday, February 12, 1891.

STATEMENT OF MR. JOEL COOK, OF PHILADELPHIA, PA.

Mr. WALKER. Mr. Cook, are you connected with any financial institutions?

Mr. COOK. Yes, sir; I am a director in a national bank in Philadelphia, and I am here with the delegation from the board of trade.

Mr. WALKER. In what other business are you engaged?

Mr. COOK. I am in active business, and I am financial editor of the Public Ledger, of Philadelphia. I have also some investments in the shipping business as a vessel-owner.

DEPENDENCE OF BANKS ON PROSPERITY OF COMMUNITY.

Mr. WALKER. The impression is very wide, and I think it has an influence in the halls of Congress, that there are persons in the community who control the gold, and that the interests of the bank business and banks are antagonistic to the interests of the wage-worker and the farmer—that is to say, that the banker may prosper, while the farmer or wage-worker may not. What are your views as to that?

Mr. COOK. I am hardly competent to answer that, except as it might apply to my locality. I mean as to the State of Pennsylvania. I could not say as to distant parts of the country, because I do not know; but I should take it that the entire interest of a banker, or of a national bank, if you so describe it, would depend upon the prosperity of whatever community it is in. If it were in a manufacturing community, the bank would want the manufactures to prosper; and if it were in an agricultural community, it would want the farmers to prosper.

Mr. WALKER. Is it not a fact that the prosperity of a bank depends upon the prosperity of the community?

Mr. COOK. It depends entirely upon the prosperity of its customers; that is, the people who keep deposits or borrow money.

Mr. WALKER. Is not that practically true of the entire business of the country?

Mr. COOK. I take it that it would include all the business of the country.

Mr. WALKER. I want to ask you whether or not it is a fact that prac-

tically the price of everything bought and sold in this country during the period of the suspension of specie payment was made upon a gold basis; did prices not go up and down with gold?

Mr. COOK. As the gold premium moved prices moved.

Mr. WALKER. It was practically a gold basis?

Mr. COOK. Yes, sir.

PAYMENT OF FRENCH INDEMNITY TO GERMANY.

Mr. WALKER. It has been said that Germany adopted a gold basis because of the great amount of gold paid her by France as an indemnity. Have you any figures to show as to what those payments were, and how they were made?

Mr. COOK. You mean the indemnity of the Franco-German war?

Mr. WALKER. Yes.

Mr. COOK. When that indemnity was arranged, my recollection is that all the great bankers of the world united in a syndicate for the purpose of conducting that payment, as it was the largest financial transaction up to that time that had ever been known; that is, within the brief period in which it was made. There were American as well as foreign bankers connected with it; that is, such American houses as had foreign correspondents, in connection with England, France, and Germany; and the consequence was that an arrangement was made for the particular kind of money in which the settlement was to be made, and that necessarily included the money of all the different countries from which these bankers would send it. It was sent, and afterwards collected from the French Government. That did not at that time include any of the money of the United States, for the reason that gold was at a premium in the United States, and in all of the transactions in which the money came from America, and some of it did, it was immediately turned into pounds sterling.

Mr. WALKER. What consideration induced the foreign bankers to assist France in that transaction?

Mr. COOK. The main consideration was the absolute necessity of maintaining her credit and the commercial conditions existing throughout the world at that time, which would be so enormously disturbed if France was not assisted, for it would have upset everything everywhere. I do not think the consideration of any commission or profit entered into it at all. In fact, I have been told by one of the gentlemen who assisted in the organization in London, Mr. J. S. Morgan, since deceased, that there was no profit in it to anyone who took part except the patriotic profit and the honor of being in such a transaction. This statement is made from the *Paris Moniteur*.

Mr. BARTINE. You speak of these people having to come to the assistance of France as her fiscal agents to prevent the great calamity which would have resulted to the commercial world from the breaking down of the French credit. Do you suppose that, if these people had been at all doubtful of the ultimate ability of France to pay in return, they would have come to her relief in that way?

Mr. COOK. I would imagine that as sound business men they had confidence then that France would reimburse them. In practice France did reimburse them; and my recollection is that she reimbursed them within the time which was set.

Mr. BARTINE. Do you think that a similar syndicate would have come to the relief of Spain under the same circumstances?

Mr. COOK. I could not say. My judgment of that would be that no international banker would himself answer that kind of a question, because he would want to know the conditions and the necessities of the case at the time.

Mr. BARTINE. You know something about the relative strength of France and Spain?

Mr. COOK. I take it that France is stronger than Spain; but the aggregate of that indemnity was equal, reckoning 5 francs at a dollar, to a thousand million of dollars.

Mr. WALKER. At the time that indemnity was paid by France, the commercial price of silver was at the rate of $15\frac{1}{2}$ to 1 in gold.

Mr. COOK. In 1873 it was. As I say, reckoning the 5-franc piece at a dollar, that indemnity was equal to a thousand million of dollars, and the interest on that amounted to about \$60,000,000. The payment of that was made in francs, and was made at the Bank of France, 125,000,000 francs. I have a statement which I will insert.

The statement is as follows:

[Moniteur Officiel, Paris, 1873.]

Statement by officers of the Bank of France of the form of payment of the indemnity to Germany.

	Francs.
In bank notes of the Bank of France.....	125, 000, 000
In French gold coins.....	273, 003, 050
In French 5-franc pieces.....	239, 291, 875
In German bank notes.....	105, 039, 045
Bills of exchange drawn in thalers.....	2, 485, 513, 729
Bills drawn on Frankfort in florins.....	235, 128, 152
Bills drawn on Hamburg in mark-bancs.....	265, 216, 990
Bills drawn on Berlin in reichs-marks.....	79, 072, 309
Bills drawn on Amsterdam in florins.....	250, 704, 546
Bills drawn on London in pounds sterling.....	637, 349, 832

Total francs..... 4, 990, 860, 349

Equal to \$998,172,069, the dollars reckoned at 5 francs.

The indemnity from France to Germany after the war of 1870-'71, including interest at 5 per cent. per annum, amounted to, at the time of payment in 1872, \$1,060,209,015. After crediting France with the value of certain railroads in Alsace and Lorraine, the amount of indemnity due to Germany was \$998,172,069.

The patriotic people of France raised the vast sum by a loan in less than 6 months from the time the Government appealed to them. The money was deposited in the Bank of France, which drew on even the German bankers, the debt was paid, and the interest ceased also. Germany expected for years to draw the rate of interest at 5 per cent. per annum.

From the above will be seen that Germany received from France in
gold only, francs in French gold..... 273, 003, 050
And francs in pounds sterling..... 637, 349, 832

Total francs in gold..... 910, 352, 882

Or, in gold..... \$182, 070, 576. 40
Balance, in silver..... 816, 101, 493. 00

Total paid to Germany..... 998, 172, 069. 40

Or 18.2 per cent. in gold, and 81.8 per cent. in silver and paper.

The Franco-German war was fought in 1871 and 1872, while in reality it began in the middle of 1870, and early in January, 1871, William of Germany was proclaimed in Versailles, near Paris, Emperor of Germany, and the war was thus over.

The Reichstag of Germany passed a law demonetizing silver in 1871, but with the proviso that it take effect January 1, 1873. The indemnity was mostly paid in 1871, a small balance comparatively in 1873.

In 1873, when the law demonetizing silver went into effect, she sold silver at a loss of 50,000,000 of marks, or \$12,500,000.

Mr. WALKER. What is the exact value of a thaler?

Mr. COOK. I should say the value of a thaler was something like 60 cents; it varies a little.

INFLOW AND PRICE OF SILVER UNDER FREE COINAGE.

Mr. WALKER. Mr. Fraley spoke of an amount of silver which would be presented in this market if free coinage were adopted. Do you think that the silver coin of foreign countries would come here, and would it press to come here?

Mr. COOK. I take it, without being in the business myself except in a theoretical way, that silver has been in the United States for several years exactly in the same category with wheat, iron, or any other product of the United States. It is merchandise, and is produced here just as wheat is produced in several parts of the world. It, like other products, naturally seeks a place where the highest price will be paid for it; and if the United States pays for it a price above the market price elsewhere, it will come here from wherever it is, and continue to come here just as wheat or anything else would until the price would fall through the glut in the market.

Mr. WALKER. Do you think it would come here, or would gold go to a premium?

Mr. COOK. The result would be exactly the same as it would be as to the price of wheat, as it was during the war and afterwards. It would send gold to a premium, and gold would then become merchandise.

Mr. WALKER. Have you any information as to the amount of bullion that could come here?

Mr. COOK. I have not, without hunting through the Mint Report.

Mr. WALKER. Do you think silver coin would come here?

Mr. COOK. It would not go outside of a country, except as bullion. It would only come if the value would exceed the value in the country from whence it came, plus the freight charges.

Mr. WALKER. It would have to exceed its value as coin before it would be transported?

Mr. COOK. The existing silver coin in any country, the moment it would be sent out of that country, would become silver bullion.

Mr. WALKER. Is it not a fact that the moment coin goes beyond the borders of a country it is converted into bullion, and is it not taken by brokers and dumped into the common pile of bullion in the country to which it goes?

Mr. COOK. It is dumped into the common pile of bullion, and is re-coined, and then it is worth so much in sterling, which is the international money for settling accounts.

Mr. WALKER. Is that so of American silver coin abroad?

Mr. COOK. I have never seen American silver coin abroad, except as a curiosity.

Mr. WALKER. Do you think the bullion value would regulate its price abroad?

Mr. COOK. It would be bought at so much an ounce.

Mr. WALKER. Do you think that a dollar of 80 or 82 cents would be as good as a dollar of 100 cents in the United States?

Mr. COOK. I do not think it would. I think those Englishmen would ship the silver here.

Mr. WALKER. Is it not a fact that if our dollar went abroad it would be only bullion, and that the brokers would buy it up and send it back? It would be the same as a paper dollar. Is not that the fact?

Mr. COOK. I have never known anyone to take silver out of the country unless he wanted to pay the expenses of travel on a steamer, or something of that kind. I know that it is usual in traveling on a steamer for everybody to try to get rid of his silver before arriving abroad.

Mr. WILLCOX. Have you ever known of brokers taking silver abroad?

Mr. COOK. No, sir; I do not think any broker would do that.

Mr. WALKER. Is there any reason to suppose that with free coinage here, the silver dollar would be taken any more than the paper dollar would be?

Mr. COOK. You gentlemen in Congress have always been careful (and I believe it was best to be so) to keep paper at par in gold by various methods of securing redemption. I think you ought to be equally careful with silver.

Mr. WALKER. If we give free coinage to silver, would it have any tendency to raise it permanently in its commercial value the world over any more than the free coinage of paper would raise the price of paper the world over.

Mr. COOK. Outside of the United States, I do not think it would. I am speaking of American coin outside of the United States.

Mr. WALKER. That is to say, the free coinage of silver would fail outside of the United States, to rise it above the commercial value, just the same as paper, and just as its commercial value as paper did in the days of the Confederacy.

Mr. COOK. It might not nominally fall, but it would in its purchasing power, because gold would go to a premium. Gold would be at a premium as silver would be the weaker money.

Mr. BARTINE. Do you make any distinction between the free coinage of silver, the production of which is limited by nature, and which costs an immense amount of labor, and paper?

Mr. WALKER. Why assume that it is limited by nature?

Mr. BARTINE. The production of silver has had a well-defined limit so far. It costs a good deal of labor and expense to produce it. Paper is practically unlimited as to the capacity of its production; because, if you can imagine such a thing as the supply running short, you have only to raise the figures on the bills. Do you think it fair to make a comparison between silver and paper under those circumstances?

Mr. COOK. I do not make a comparison between the silver and the paper at all of the intrinsic price of it. Every one knows a piece of paper has a value—possibly three or four cents a pound; whereas everybody knows that silver is valuable, and that there is more labor and trouble in making it, and that its intrinsic value is more. But the great difficulty about that outside of the United States is that the world, for reasons we can not control, has set a value upon it. The world outside of the United States is a much bigger place. In gold, the attempt has always been to make the value of the coin as closely as possible to the intrinsic value of the amount of the coin.

Mr. BARTINE. How do you arrive at that conclusion?

Mr. COOK. I say the *attempt* has been to do it.

VALUE OF GOLD.

Mr. BARTINE. Is it as a matter of fact, not generally and almost universally recognized at the present time that the coinage value of the coin controls its value for everything else?

Mr. COOK. I would say that possibly that is so, but the supply of gold helps to regulate that.

Mr. BARTINE. In its purchasing power, but not in its denominations. It is only in its denominations that it is stable. You do not mean to say that the purchasing power of gold has remained stable?

Mr. COOK. In its denominations it has remained stable.

Mr. BARTINE. Those denominations are purely a matter of regulation by law?

Mr. COOK. They are for each country. When you get back to the relative positions of the countries in the world, if you put the United States at the top, and make it the controlling power in all exchanges of the world, you would still have to make a fixed dollar of one coin or the other, which would be your standard.

Mr. BARTINE. My point is this: You say that the world has fixed an intrinsic value on silver at a point below that which we propose to give it by free coinage. Do you recognize the fact that purely artificial regulations, either coinage or legal-tender regulations, have given it a sort of artificial prop.

Mr. COOK. I can hardly say that I do. I presume that the fact that gold has been made a metal for coinage has of course helped to fix its value.

Mr. BARTINE. Prior to 1873 gold and silver were kept on a common footing until the principal nations demonetized silver. In your judgment did that create any new demand for gold, and did it have any effect upon its value or purchasing power?

Mr. COOK. It created a new demand for the representative of gold; but it is a question in my mind whether there was very much increase in the demand for the actual coin.

Mr. BARTINE. What do you mean by the "representative of gold?"

Mr. COOK. I mean the credit, the bank notes or checks.

Mr. BARTINE. What amount of credit could you have based upon gold if there was no gold?

Mr. COOK. But there is gold.

Mr. BARTINE. Can you base as much credit upon a little gold as upon a large amount of gold?

Mr. COOK. If you keep the standard as they do in England, and jealously maintain it, you could, because then you have got a basis for credit.

Mr. BARTINE. Will a thousand pounds sterling support as much credit as £100,000 sterling?

Mr. COOK. Certainly not.

Mr. BARTINE. I will ask you if the English investigators, including Mr. Goschen, have not expressed the opinion that the demonetization of silver in 1873 created an unusual demand for gold, amounting to from a thousand to thirteen hundred millions, which is one-third more than the amount of gold coin known to exist?

Mr. COOK. I am not competent to answer that question.

Mr. BARTINE. There are about \$3,600,000,000 of gold coin in the world; and suppose the demonetization of silver created a demand equal to one-third of the entire amount, would that have any effect upon the value of gold?

Mr. COOK. If there was no more gold it would, just as an increased demand for anything else would have an effect upon the article.

GOLD, WAGES, AND COMMODITIES.

Mr. BARTINE. Is it not a generally recognized economical fact that ever since 1873 the purchasing power of gold has increased just as things have gotten cheaper?

Mr. COOK. Yes, sir; there have been ups and downs. The general average has been downward.

Mr. BARTINE. In your judgment did the demonetization of silver, creating a new demand for gold and giving it an increased purchasing power, have anything to do with the fall of prices?

Mr. COOK. The fall in prices largely came when the United States resumed specie payment. I have always regarded that as the main factor; it created confidence; it enabled everybody to make larger ventures and to make larger products. It created more wealth, and the natural result is that prices got down and money became, with prices going down, a little more valuable.

Mr. WALKER. Is it a fact that wages have very largely increased since 1860?

Mr. COOK. I think so.

Mr. WALKER. If wages have increased and the prices of commodities have decreased, as the article represents the labor put into it, and if raw material is free, the decreasing price must be because of improved methods and machinery.

Mr. COOK. It has been caused by improved methods, improved machinery, larger production, and cheaper transportation. All those things entered into it.

Mr. WALKER. That practically accounts for the cheapness of product.

Mr. COOK. Yes, sir.

Mr. WALKER. I will ask you a few supposititious questions, as that seems to be in order. Do you think if there were no silver in the world there would be a silver bill before Congress? That answers the supposititious case that my friend Mr. Bartine has put.

Mr. COOK. Suppose that we in Pennsylvania, who have material of considerable value, should suggest to you to make a dollar out of one ounce of iron, and give it a legal tender?

Mr. WALKER. Do you think that it would be worth anything more abroad than the intrinsic value of the iron?

Mr. COOK. After it went across the line it would not.

Mr. WILCOX. Do you think that if we pass a free coinage bill it will drive gold to a premium in this country and that gold will become a commodity?

Mr. COOK. Yes, sir.

Mr. WILCOX. Then we would be substantially upon a silver basis; and, being in that condition, do you think it would enhance the price of commodities in this country?

Mr. COOK. The price of commodities, as has been the case heretofore within my experience, would go up as the gold premium went up. Everybody would start and mark up his goods to meet the particular necessity of money or currency that would be paid him for his goods.

Mr. WILCOX. Would imported goods in your opinion go up?

Mr. COOK. Imported goods would have to be paid for in gold, and the cost of the advance in that proportion. If gold was 5 per cent. premium it would take \$105 to pay for one hundred dollar's worth of goods.

Mr. WALKER. Suppose we should reduce the value of the gold coin by 15 per cent., do you think it would have the slightest effect upon the money measures of the world?

Mr. COOK. Not outside of the United States. Accounts would have to be paid in pounds sterling the moment money went abroad.

VALUE OF SILVER.

Mr. WALKER. Do you think the free coinage of silver would have any appreciable effect on the world's price of silver?

Mr. COOK. It would make a demand for silver here. Suppose the United States makes an unlimited purchase at a fixed price. If it were a high price then everybody would send his silver here, or hold it for that price.

Mr. TRACEY. Would it not be possible for them to hold it now for a high price?

Mr. COOK. I presume that the people who hold silver to-day are doing just as the merchants do in their transactions; they are making calculations about it as to whether they had better sell to-morrow or whether they had better hold it until next week.

Mr. BARTINE. Under an unlimited purchase there is a surplus, while under free coinage it would all be taken. Under a limited purchase there is always a surplus, and the existence of this surplus, that is, knowledge of its existence, you think would cause a scramble to unload?

Mr. COOK. That is governed by the prospect.

Mr. BARTINE. That is an uncertainty. Under free coinage anybody can take it to the American mint and get it coined.

Mr. COOK. I do not think you will make it free to the world.

Mr. BARTINE. Would it not have the effect of cleaning the decks? Would it not absorb the surplus?

Mr. COOK. It would secure a market for the surplus, but afterward it would be just the other way. The price of silver would rise at the time, but afterwards it would go down. This price of silver to-day is entirely regulated in London, that is, it is worth so much per ounce in London, and the price is thereby regulated in New York.

Mr. WALKER. The coinage of gold by one country, putting more or less of it in a dollar or coining silver and putting more or less of it in a dollar, has it ever in the history of the world, so far as you know, changed the price of silver or gold?

Mr. COOK. The standard would be silver, but it would be the public's estimate of a piece of paper. Undoubtedly, as much silver is in circulation now as can be gotten into circulation. The main circulation of the country will be based upon silver, and the estimate of the public will be accordingly.

Mr. WALKER. You have turned now to the question of the estimate of the public; and is there any reason to believe from the experience of the past that the estimate of the public of the value of silver will be changed? Would it not take silver, and simply pay notes with it at its gold value in the money of the world, which is now gold, and would not that necessarily go up to a premium?

Mr. COOK. The estimate of the public will be just as it has been, regulated by the supply. The public would look at it as a piece of paper based upon silver, because that is the currency which they would see most of.

Mr. BARTINE. How is their estimate changed instantaneously, when the European mints are closed?

Mr. COOK. I have taken it that the estimate would be changed because of the much larger supply of silver.

Mr. BARTINE. You are going into philosophy; but what I want to get at is simply the fact whether it would go up or down.

Mr. COOK. It would be like an important piece of news. It would

be absolute notice given to the public, and the news would go out. It would strike the public like the report of an railway accident, and the public would take notice of it.

Mr. BARTINE. If the free coinage of silver in Europe maintained the price of silver, as Mr. Walker says it did up to 1873, why would not free coinage of silver in the United States be an economical force operating in the same direction?

Mr. COOK. You would have the advantage in the United States of the legal-tender law to help you.

Mr. BARTINE. The maintenance of free coinage in France, because France was alone in that until 1865, maintained the price of silver up to that date. If free coinage in France would maintain the price of silver, why should not free coinage in the United States do the same?

Mr. WALKER. You state a proposition which is not so.

Mr. BARTINE. France was the only country which maintained that until 1865. I say that was true from 1803 to 1865; and France was the only bimetallic power in Europe, forming a link between the two metals. If the action of France had the effect of substantially preserving the parity, would not the action of the United States be an economic force operating in the same direction?

Mr. COOK. Do you happen to know the relative amounts of silver which existed at that time? I have not the accurate knowledge of that, which you have, and that would I think have a great effect.

Mr. BARTINE. Do you think the amount of silver in the world cuts any particular figure?

Mr. COOK. I should think it would.

Mr. BARTINE. Up to 1865 every nation maintained its own silver coin at par. There was no discount of silver prior to 1873.

Mr. COOK. I do not know as to that, except in our own country.

Mr. BARTINE. Every country was maintaining its own silver coin; and therefore the problem that France had to deal with was the product of the mines. It was a question of proportion rather than a question of absolute quantity in maintaining the parity.

Mr. COOK. I am unable to answer that, because it is an abstruse question.

Mr. BARTINE. I have the figures of the silver in the world, and the production of silver was more than three times as great as the production of gold at one time. In 1870 it was reversed, and the production of gold was three times as great as that of silver. Yet during both periods the parity was substantially preserved.

Mr. COOK. Yes, sir.

ACT OF 1890.

Mr. WILLCOX. Do you believe in the coinage of silver in this country to any extent?

Mr. COOK. Yes, sir.

Mr. WILLCOX. Where would you place the limit?

Mr. COOK. I would want to be guided by better knowledge than my own. I would want to place the limit at the amount of currency which the country would take, based on the increase of population and the necessities of business. What I mean is this: The present law of 1890 in its practical operation is to put out, say, \$54,000,000 in Treasury notes based on silver bullion. The money is paid out of the Treasury for the silver, and is regulated and corrected by whatever laws would occur. That increase acts as an expansion, which may and may not be an ex-

pansion which would reach what might be necessary for the increase of business and population. My thought about it would be this: That as the experiment of that law is but recent, it would be only fair to try it sometime in actual operation before making any change at all.

Mr. WILLCOX. Do you believe there was a demand for expansion in this country prior to the passage of that law?

Mr. COOK. I would have said before the last panic that there was enough currency in the country before that law was passed; but the result showed that there was a scarcity of money that could be gotten into actual circulation. My own opinion is that the scarcity was largely produced by hoarding, which came largely through fear. In fact I have seen practicable people take it and lock it in safe-deposit boxes and keep it there for a considerable time. If the extent of that hoarding could be estimated, it would be a necessary ingredient in the problem of calculating the actual amount of currency which the currency requires. We have passed over that stringency and the money is coming out so extensively now that in every bank the complaint is just the other way—that they have so much actual money that the demand for it is short of the supply.

FRIDAY, *February* 13, 1891.

The committee met at 11 a. m. in the room of the Committee on Ways and Means. Present, the chairman (Mr. Wickham) and Messrs. Walker, Comstock, Bartine, Taylor, Tracy, Willcox, Williams, and Vaux.

The committee decided to resume hearings on Monday, February 16, at 12 m.

The CHAIRMAN. Mr. Newlands is present and will now be heard.

ADDITIONAL STATEMENT OF FRANCIS G. NEWLANDS.

Mr. Chairman and gentlemen of the committee, I had not concluded my remarks the other day, and if you will permit me I will take up the thread of the discussion where I left off. I hope the committee will excuse me for sitting, as I am afraid that the standing position has a tendency to develop one into an orator.

Mr. BARTINE. I do not think you can avoid that.

DEMONETIZATION BY GERMANY AND UNITED STATES.

Mr. NEWLANDS. At the last hearing I called to your attention to the fact that, prior to 1873, gold and silver were the acknowledged moneys of the world, and that every country in the world was on a bimetallic or a silver monometallic basis, except England, which had put itself on a gold monometallic basis in 1816. In 1873, Germany made use of the great tribute which was contributed by France after the war in retiring silver from the various petty sovereignties and states.

Mr. WALKER. Was Germany on a silver basis before that?

Mr. NEWLANDS. Yes, sir. She put herself on a gold basis, as England had done, and before the effect of that could be felt or appreciated, the United States took the lead of all the other nations of the world in demonetizing silver and gave it the fatal blow. I think it is safe to say that if so powerful a nation had not demonetized silver at that particular juncture, the demand from France and the Latin Union, and

other nations, would have absorbed the current product of the mines, as well as the supply precipitated by the action of Germany.

Of course, when the United States denometized silver the power of the world to absorb the current silver product, as well as that precipitated by Germany, was impaired, and the value of silver was diminished to that extent. I also call attention to the fact that, since 1873 and up to the present time, there has been a constantly progressive agitation of this question in this country, and that two progressive bills have been adopted, the first one providing for a limited coinage of at least \$2,000,000 a month, and the second one providing for a limited coinage of 4,500,000 ounces; and that during all this time there was a debate throughout the country, in the press and in Congress, by chambers of commerce, banking institutions, representatives of the moneyed centers.

AMERICAN PRODUCT CONSUMED.

Mr. COMSTOCK. I would like to ask you whether this amount that you mention, 54,000,000 ounces, will cover the product of this country at this time?

Mr. NEWLANDS. It will very nearly do so.

Mr. TAYLOR. There was no protest against the recent act when it was passed.

PAST PREDICTIONS OF DISASTER.

Mr. NEWLANDS. I am talking about the act of 1878. The act of 1878 you will recollect, was vetoed by President Hayes as the result of the interposition of interested parties. It was passed over his veto, and during Mr. Cleveland's administration there was hardly a message addressed to Congress upon financial questions that did not predict the disaster that would result from continuing the coinage of silver under that Bland act. I also call attention to the fact that, notwithstanding these predictions the gold volume constantly increased until it was raised in 1880 to \$286,000,000, and in 1890 to \$550,000,000.

Mr. TAYLOR. What was the price of silver when the Bland act was adopted?

Mr. NEWLANDS. I do not know what was the value of it at that time, but it depreciated in value between 1873 and 1878. At the time silver was demonetized in 1873 our silver dollar was worth 103 cents in gold. I desire also to call attention to the fact, which I omitted to mention before, that during the agitation of the last year when the present bill was under consideration and the question was whether a free coinage act should be passed, or whether a limited coinage bill increasing the coinage should be passed, and when these very predictions were being indulged in of the disastrous results of such measures, during that very period, according to the statistics of the Director of the Mint, Mr. Leech, from July 1, 1890, to October 1, 1890, after that bill went into effect and when the predictions referred to ought to have been realized, the gold volume increased \$39,000,000.

Mr. TAYLOR. As a matter of fact there was no protest against the passage of that bill. You say there were predictions of disasters, and I say there was nothing that came to this committee or this House. There was a protest against free coinage. The trouble is you get these things mixed. They protested against something that was not passed.

Mr. NEWLANDS. The protest was general against the increase of the volume of silver.

REDEMPTION OF TREASURY NOTES.

Mr. BARTINE. Is it not a fact throughout the monied centers of the East, there was a deep-seated and strong opinion against the passage of any silver bill that did not embody the bullion redemption features?

Mr. NEWLANDS. I think so.

Mr. WALKER. Was it so in the West?

Mr. BARTINE. I don't know to what extent it prevailed in the West, but the argument was at all times used in the East that bullion redemption was necessary to "*anchor the notes to gold.*"

Mr. NEWLANDS. I do not think it existed in St. Louis. The bullion redemption feature would have kept the country upon a gold basis and have turned the silver simply into a commodity.

Mr. WALKER. Is not that a fact to-day?

Mr. NEWLANDS. No; because silver goes into the Treasury now as bullion, and comes out only as money, and never as bullion.

Mr. WALKER. In the form of Treasury notes and not silver that goes into the Treasury?

Mr. NEWLANDS. They are redeemable in coin and not in bullion.

Mr. WALKER. Treasury notes are paid for this silver.

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. Is there not in the body of the law a provision that is held by the courts and lawyers to make undistinguishable the Treasury notes issued? Treasury notes are issued for the silver, and are not the Treasury notes known as greenbacks to be redeemed in coin just the same as the Treasury notes issued for four and a half millions of bullion bought each month?

Mr. NEWLANDS. I understand that is true of all the United States notes now existing, with the exception of gold and silver certificates—the gold certificates are redeemable in gold coin and silver certificates in silver coin, and thus each is redeemable in coin of its kind.

Mr. WALKER. As a matter of fact all Treasury notes, however, are redeemable in coin?

Mr. NEWLANDS. Yes, Mr. Walker. And secondly, the \$100,000,000 held in the Treasury to redeem these notes is held to redeem all the Treasury notes that are payable in coin, one as much as another.

Mr. WILLIAMS. You mean new Treasury notes?

Mr. WALKER. All Treasury notes.

Mr. NEWLANDS. As I understand it the reserve of \$100,000,000 of gold in the Treasury stands back of the greenbacks.

Mr. WALKER. It stands against all Treasury notes.

Mr. NEWLANDS. I am glad to hear it.

Mr. WALKER. That is as I understood the law; and furthermore, is it not a fact that the Treasurer is authorized by law, and expected by all the people, to keep the United States on a gold basis, by being authorized to sell bonds in order to redeem in gold? Is not that the fact?

Mr. NEWLANDS. I do not know.

Mr. WALKER. Well, it is a fact.

Mr. WILLIAMS. It was not so presented by the friends of the bill in the House.

Mr. WALKER. It was presented for that purpose by the committee that framed this bill. It was so framed in the conference committee. If this is a fact then every Treasury note is supported by and redeemed in gold.

Mr. NEWLANDS. I do not know whether that is so or not. Permit

me to say that we are drifting from the inquiry that was made as to whether silver was not a commodity under the existing law.

Mr. WALKER. That is an entirely foreign question to that of the desirability of free coinage. The latter is the question we are investigating, and I do not feel obliged to confine myself to the point suggested by someone else. There is no question but what the present Treasury notes of every issue are understood in the community to be redeemable in gold if anyone chooses to demand gold for it.

Mr. NEWLANDS. I do not know what you think about it.

Mr. BARTINE. Let me ask you a question as a lawyer. Gold and silver are both legal tender in this country, and as a matter of law has not anybody a right to pay a debt in anything that is legal tender?

Mr. NEWLANDS. Yes; I do not know what the gentleman's sentiments are in regard to that matter. I know the Treasurer has power to redeem these notes, with the exception of silver certificates and gold certificates, each of which is redeemable in coin, either gold or silver, at the Government's option and not at the option of the holder of the notes in either gold or silver.

Mr. WALKER. Is it not a fact that in our commercial transactions, between debtor and creditor, that when a man has a right to pay in either of two things, he has a right to pay in what he declares he will pay in, that the prices all his obligations sell for in the market are regulated by the value of what he decides to pay in?

Mr. NEWLANDS. I do not know whether that is so or not.

Mr. COMSTOCK. The purpose and the intention of the United States being to maintain gold and silver at a parity, Senator Sherman made the remark that that in itself was notice to the world that the United States would receive and sell bonds in that coin.

Mr. WALKER. Not only Senator Sherman said it, but Edmunds and other good lawyers said it.

Mr. WILLIAMS. Senator Sherman said some other things with reference to the refunding act also.

Mr. BARTINE. It simply means that the Government will pay in either.

Mr. WALKER. Is it a fact that the Democrats opposed the bill because, as they said, it kept the currency of this country on a gold basis, and was not that the position taken by all the free coinage Members and Senators?

Mr. NEWLANDS. Against what bill?

Mr. WALKER. The act of July 14, 1890.

STATUS OF SILVER UNDER ACT OF 1890.

Mr. NEWLANDS. I think the Democrats opposed it upon the ground that it made silver a mere commodity.

Mr. WALKER. And made a gold standard of value?

Mr. NEWLANDS. I think they were mistaken in that view.

Mr. COMSTOCK. It is not a commodity under that bill.

Mr. NEWLANDS. No, sir.

Mr. WALKER. They claimed it was. Is it a commodity under that bill?

Mr. NEWLANDS. It is money. I mean that the silver goes into the Treasury under the act of 1890, and becomes transformed into money, and can not be taken out in any other shape.

Mr. WALKER. It is silver interchangeable with gold.

Mr. WILLIAMS. It goes in as a commodity.

Mr. NEWLANDS. It comes out only as money.

Mr. BARTINE. The moment it reaches the Treasury its commodity character ceases, and substantially it becomes money.

Mr. NEWLANDS. Yes, sir; but the coinage of gold is unlimited, and is limited as to silver.

Mr. VAUX. It is the act of 1890 that makes the limit?

Mr. NEWLANDS. Yes, sir.

VALUE OF SILVER UNDER FREE COINAGE.

Mr. WALKER. Would not the effect of free coinage be to make the silver dollar under it of less weight of silver and of less value in its commercial ratio than under the law of July 14, 1890; and is not that all the effect it would have?

Mr. NEWLANDS. Please repeat that question.

Mr. WALKER. In view of what you and I both believe, is it not a fact that the free coinage of silver does not make it any more a money than it is to-day, but only makes a dollar of less weight of silver, admitting the present commercial ratio, under the free-coinage act?

Mr. NEWLANDS. You mean more weight of silver, do you not?

Mr. WALKER. If we pass the Senate bill for free coinage, now before us, as silver is money now under the act of July 14, 1890, and under that act it takes a certain weight of silver to issue a dollar treasury note, and that will be bought by the present dollar in gold, would not the only effect of the passage of the Senate bill now before us be to make the dollar of less weight of silver than a gold dollar now buys? Would not that be the effect of the bill?

Mr. NEWLANDS. No, sir.

Mr. WALKER. When the Treasury buys silver to-day it only issues notes for the commercial value of the silver, but under free coinage they would issue a dollar of 412.9 grains without reference to its value. It would be a cheaper dollar.

Mr. NEWLANDS. I do not understand your question; but I will answer it in this way: The law fixes the number of grains that shall constitute a gold and silver dollar to-day. Free coinage does not contemplate any change in the number of grains that shall constitute a silver dollar, and so it will not change its weight, will not either increase or diminish it. Free coinage, however, will increase the number of dollars but will not decrease the value of the silver in each dollar.

Mr. WALKER. That is an assertion.

Mr. NEWLANDS. I say so because free coinage will create a greater demand for silver. An inexorable law is, the greater the demand is the greater is the increase of anything.

Mr. WALKER. The present law creates a greater demand—it takes the silver product of all the silver mines of the United States.

Mr. NEWLANDS. Yes, sir; and that will increase the demand and value of silver the world over.

Mr. WALKER. Then your statement is that the free coinage of silver will raise the commercial price of silver the world over.

Mr. NEWLANDS. I think so.

Mr. WALKER. But if it should remain at the ratio to gold that it is to-day, the effect of free coinage will be to make the dollar issued by the Treasury of one-fifth less provided it contains 80 cents' worth?

Mr. NEWLANDS. The bullion value of the silver in the silver dollar will in that event remain the same as it is now. I assume this. Prior to 1873 I want to say—

Mr. WALKER. If silver does not appreciate, assuming that there is 80 cents' worth in the dollar, and the dollar does not appreciate because of the law, then the only effect of free coinage will be to make the Treasury issue notes for a dollar for 80 cents' worth of silver.

PAST PREDICTIONS OF DISASTER.

Mr. NEWLANDS. That is true. Allow me to go on and make my statement. I understand the rule has been to allow a witness to make his statement and then ask him questions. I think I would be able to present the matter in a more intelligible form in that way. Last year when the struggle was between bullion on the one hand and coin on the other, the attention of the entire country was directed to the matter during the entire period of the administration of Mr. Cleveland. It was claimed that a withdrawal of gold would result, either from free coinage or from an increase of the limited coinage, and yet, as a matter of fact, during those very months from July, 1890, to October, 1890, the gold in this country increased, according to Mr. Leech's statistics, \$39,000,000.

Mr. COMSTOCK. Can you give the increase since that time?

NECESSITY FOR BIMETALLISM.

Mr. NEWLANDS. No; I can not. Mr. Leech's table only gives the statistics to October, 1890. Permit me to call attention to another fact disclosed by Director Leech's statistics, and that is that the gold in the world at that date amounted to \$3,720,000,000, and that the silver amounted to \$3,820,000,000 at that time. It very nearly equaled the silver existing at that time, equaled it except as to about \$100,000,000. Now I would like to call attention to the fact that when this agitation first commenced it was maintained throughout this country by financial men that the only safe basis was a gold monometallic basis, and that they gradually modified their views. They were driven to that modification by the agitation and discussion which was going on, and now hardly a financier appears before you who does not assume that upon theory he is a bimetallist; that is to say, that the world needs both gold and silver as money metals. The question before us is as to the method in which remonetization of silver shall be brought about. The enthusiastic bimetallists, if I may be allowed to use that term, claim it can only be done by our country taking a courageous leadership and being followed by other countries. The more moderate bimetallists think it can only be done by the joint action of the civilized nations of the world, which, of course, must be followed by legislation in order to make it effective.

It is hardly necessary for me to call the attention of this committee to the fact that if silver were completely demonetized over the world the world could not get along with the \$3,720,000,000 of gold. It is hardly necessary for me to call attention to the fact that there is an absolute necessity for both gold and silver for coinage in sufficient quantity except so far as nature itself limits them, so long as the uncovered notes of banks remain in existence, and we own the largest volume of it, the United States leading all the other nations in the value of its uncovered money, having four or five times as much as England, and I think three times as much as Germany. The population of the world is constantly increasing, and everybody agrees that the volume of money should in-

crease in order to maintain the per capita circulation of money. Now we will assume that the United States has a population to-day of 65,000,000 of people, and that its money volume to-day is \$1,500,000,000. Our population is increasing at the rate of 3 per cent., so that in 30 years from now, or in 1920, we will have a population of 130,000,000 in this country instead of 65,000,000; and in order to maintain the present per capita of a little over \$22 per head, we will have to increase our money to \$3,000,000,000 within the next 30 years. That means an increase of \$50,000,000 annually in order to preserve our present per capita. In addition to that we find that the existing volume of money is being gradually diminished by the retirement of national bank notes, and bonds of the United States are at such a premium that the banks are retiring them at the rate of about \$30,000,000 annually.

The CHAIRMAN. That is true of the last 5 years.

Mr. NEWLANDS. There are very nearly \$180,000,000 of national bank notes in existence. Assuming that it is \$180,000,000, within the next 6 years to take the place of these national bank notes, in addition to that \$50,000,000 per annum necessary to preserve the present per capita per annum, we will have to have \$30,000,000 in order to maintain the existing per capita of \$22 per head. That means annually \$80,000,000 for at least 6 years, in order to maintain the present per capita. I think it means between \$80,000,000 and \$90,000,000. Now, then, is our per capita the proper one? We find that in France the per capita is \$57; in England it is \$32; in Germany, \$22; and in the United States it is \$22. I am prepared to admit that we do not need as large a per capita as they do in France.

Mr. COMSTOCK. Mr. Windom states the per capita of this country at \$24.

Mr. NEWLANDS. Mr. Leech puts it at a little over \$22. I am prepared to say that we can get along with a less per capita than France. I think we would require a greater per capita than England, for the reason that England's population is collected within a small space, and her exchanges are exceedingly easy, and she is a settled community with a population condensed and with small areas; but we have a vast country. We need to apply the energies of a proper money volume. We need development. We are building new States and peopling the arid regions. We are calling into existence new States—Idaho, Washington, Montana, and the Pacific States, and we need a larger money volume than we have at present. The question is, how much should it be? I should think it would be safe to take the average per capita of France, England, Germany, and the United States, add them together, and divide them by four to get an average. That would give us an average of \$30 per capita in this country. Our population is 65,000,000. A per capita of \$30 would make \$1,950,000,000. Our present circulation is only \$1,500,000,000; so that if we could increase our per capita gradually and without undue expansion, it would be necessary to add \$450,000,000 to our volume of money in order to make a per capita of \$30.

Mr. VAUX. Please explain what you mean by "per capita."

Mr. NEWLANDS. I will do so. I mean that we have to day in this country 65,000,000 of people. We have \$1,500,000,000 of currency. The question is how much currency have we to every individual of that 65,000,000. If you will multiply 65,000,000 by 22 and a fraction you will get the annual volume of our currency, namely, \$1,500,000,000; that is to say, if this \$1,500,000,000 were divided among the 65,000,000 of people, each person would receive a little over \$22.

Mr. VAUX. Then you do not involve in that consideration the principle of credit?

Mr. NEWLANDS. No; I am speaking only of the actual money. Other countries have credit, as well as we have. I am considering the relation of the actual money in circulation to the population. I say that, assuming that we ought to work gradually up toward a per capita of \$30, we would require \$450,000,000 more money in this country. Suppose we divide that over a period of 10 years, so that this \$450,000,000 will not be immediately precipitated upon the country and produce a great inflation. That would make \$45,000,000 a year which, added to the \$80,000,000 necessary to maintain the existing per capita, and to take the place of the retiring national-bank notes, would make a demand in this country for \$125,000,000 of money annually. Where is that money to come from? Are we willing to issue national bank notes for it, uncovered by the actual coin? I have already shown that we have more uncovered money than any other civilized nation. A promise to pay is not as good as the money itself, and a bank note, or a national bank note, is simply a promise to pay the actual standard money, gold or silver with the quality of legal tender given to it. It is a mere promissory note with a legal-tender effect given to it. Where are we to get this money? Would it be wise to increase our notes? Can we get it from gold?

The statisticians agree that the world's product of gold is about \$100,000,000. They also agree, and it is the statement of Mr. Suitbeer, an able authority on finances, that of this annual product, \$85,000,000 goes into the arts and dentistry, leaving only \$15,000,000 available for all the nations of the world for the increase of their gold money facilities. It is true there is more gold than that coined; but you must recollect that the jewelers take the gold coin in preference to the bullion, and use it in the arts and in dentistry. By the statistics, only \$15,000,000 is available for the money volume of the world proportionate to the increase of population. You can imagine the whole world reaching out for that amount of gold. How much would America get? The use of gold in dentistry is constantly increasing; and a prudent man said to me that before long the gold in the coin will be invaded for the purposes of dentistry. Our mouths are the grave-yards of so much gold that we can estimate a very little gold supply to be relied upon as a source of money supply.

Mr. COMSTOCK. I observed that the world coined \$162,000,000 in gold last year.

Mr. NEWLANDS. If that was the amount, a large proportion of it was recoinage.

Mr. VAUX. Have not the arts and dentistry adopted another metal?

Mr. NEWLANDS. If they have, I do not know what it is. I claim that we must resort to the coinage of the money of the world, silver, the only other money metal in the world, if we would meet this vast possibility of an increase of our money volume. If we are to make our per capita \$30 we must go to silver in order to secure it. I am a bimetallist; I am not a silver man. I do not believe in an exclusively silver standard, but a double standard. I believe that this vast reservoir of money should be made up equally from silver and gold. I do not believe in putting this country upon a silver basis; but I do not believe there is the danger that some financiers would make us believe, even if we were put upon an exclusively silver basis. I claim that we can maintain a bimetallic money in this country.

VARIETIES OF MONEY IN UNITED STATES.

What is the condition of things? We have probably the most motley currency system in the world, and it is the result of almost accidental legislation. We have greenbacks which, when they were issued, were mere fiat money, redeemable in nothing. The Government put its stamp upon pieces of paper, and called them dollars. The Government has since by act of Congress pledged the faith of the country to the redemption of those greenbacks in coin, but when they were issued they were mere fiat money. Then we have the national-bank notes, which are promises of the banks to pay, and based upon the promise of the Government to pay. The people in the Western country say that the basis of it is the faith of the Government; and the Government should not allow national banks to issue money, and then pay them for the privilege granted by the Government to the banks and not granted by the banks to the Government.

The country will never consent to the increase of the national bank circulation. The sense of the country is decidedly against that. The national banks have prevented the diminution of their currency, and have themselves voluntarily caused a great retirement, as they found it more profitable to sell bonds and retire their currency. Then we have the gold certificates, which simply call for so much gold in the Treasury; and we have silver certificates which call for so much silver in the Treasury. And we have also Treasury notes issued under the act of July, 1890, which, in my judgment, is the best form of note ever issued by this country, a note of the United States redeemable in coin, either gold or silver. I ask, how can we gradually unify and simplify our currency? I would say issue but one kind of United States note into which all of these other forms will gradually be merged; and also provide for gradually increasing it proportionately to the increase of population.

HOW TO UNIFY THE CURRENCY.

How can we do it and at the same time back every note, dollar for dollar, with gold and silver in the Treasury, and do away with this vast amount of uncovered notes? What gold have we in the Treasury at the present time? We have \$100,000,000 of gold realized from the sale of bonds, which gold is held as a reserve for the redemption of the greenbacks, amounting to over \$300,000,000.

But I differ with my friend, Mr. Walker, when he says that they stand back of all of our currency. I say that they only stand back of the greenbacks, and the greenbacks amount to over \$300,000,000. That is not material, however. I should be glad to think that Mr. Walker is correct.

Mr. WILLIAMS. If that is correct, would not these Treasury notes be an inflation—if they are based upon the gold in the end?

Mr. NEWLANDS. Yes, if gold is the basis. We have \$158,000,000 of gold in the Treasury backing these gold certificates. I would inaugurate a policy which would make that \$258,000,000 in gold back all the notes that are outstanding, greenbacks, silver certificates, gold certificates, United States notes, and the notes which will gradually take the place of the present national-bank notes. How can we do that? I would recommend immediately the passage of an act by Congress putting that \$100,000,000 which now backs the greenbacks into the general fund as a reserve and as backing of our currency. I would prohibit the issue of any more gold certificates, and I would compel a man who brings gold

bullion to the Treasury of the United States for coinage to take either the actual gold coin, or Treasury notes redeemable in coin. He would take the Treasury notes because of convenience, and then this gold would stand as a part of the general reserve backing all our circulation. Then I would provide for the gradual cancellation of the gold certificates as they came into the Treasury in payment of dues, and I would substitute United States Treasury notes redeemable in coin. By that process, this \$158,000,000 of gold backing the gold certificates would stand in the Treasury in the general reserve backing our entire circulation.

With that \$100,000,000 backing the greenbacks put the \$158,000,000 backing the gold certificates, and we would have a gold reserve backing our United States currency amounting to \$258,000,000, and we might have more. This gold would go into the general reserve. We would have the reserve in addition to the large volume of silver now in the Treasury, amounting to over \$300,000,000. I would also gradually cancel the silver certificates as they come in in the payment of dues, and substitute United States Treasury notes for them, and then they, instead of backing silver certificates, would back our entire circulation. In addition to that, a considerable portion of customs dues comes into the Treasury in the shape of actual gold coin. I do not know how much it is, but it must be a very considerable amount. When that gold coin comes into the Treasury I would substitute United States Treasury notes for it, and then put the gold into this general reserve.

In this way we will gradually coax into the Treasury of the United States this large volume of gold coin which exists in the country outside of the Treasury, and which is estimated by Director of the Mint Leech at nearly \$350,000,000.

Mr. TAYLOR. Do you think you could keep that large gold reserve in the Treasury?

Mr. NEWLANDS. I think so.

Mr. BARTINE. It ought to be represented by paper.

Mr. NEWLANDS. The natural circulation would be by paper.

Mr. TAYLOR. The paper ought to be backed up by coin.

Mr. NEWLANDS. That is what a bimetallic currency means. In this way we would gradually work out the system of France, we think, for in France, which has to-day a money volume of about \$1,500,000,000, one half of it is gold and one half of it is silver.

Mr. BARTINE. You mean a metallic money volume?

Mr. NEWLANDS. I mean a metallic money volume. Instead of having the actual gold and silver in circulation we would have these United States Treasury notes, which meet the convenience of the people, and gold and silver backing them in the Treasury, and, if necessary, in order to prevent at any time a drain of gold from the Treasury, or of silver either, we would do as they do in France, and as they do in England, practically, by allowing the Bank of England to raise the rate of discount. I would give the Secretary of the Treasury power whenever the equilibrium of this reserve is likely to be impaired the option of exacting a percentage upon either the one metal or the other, when it is being withdrawn from the Treasury in the redemption of these notes of the Treasury.

Mr. BARTINE. You mean you would make them command a percentage?

Mr. NEWLANDS. I would make it so the Secretary of the Treasury could demand a premium.

Mr. BARTINE. At a certain percentage?

Mr. NEWLANDS. Yes, sir. Sometimes that percentage might be upon silver, and at another time it might be upon gold, with a view of maintaining the equilibrium in the Treasury.

The CHAIRMAN. You would want an equal amount of each in the Treasury?

Mr. NEWLANDS. Yes, sir; an equal amount of each. There is a scarcity of gold in the world; and so much is being consumed in the arts and dentistry that the condition of things will change in the world, and it will be impossible to maintain them exactly in equilibrium. The money of this country would be entirely safe upon a bimetallic basis if we should provide by law that this reserve of gold should be always 30 per cent. of the actual circulation. Of course it would take sometime to work this out, but it can be worked out by a bill based upon scientific principles. I have occupied myself some in the elaboration of such a bill; and it is mainly taken from Senator Sherman's scheme and from a bill made by Mr. St. John, a prominent banker in New York, and I have incorporated in it the best features of both. I should like to have it up for the consideration of the committee. The effect of this would be that, ultimately, we would have but one form of money in place of the four or five that we now have. The United States Treasury notes are redeemable in coin.

HOW TO SECURE ELASTICITY OF CURRENCY.

In addition to that, I would provide for an elastic currency. We add at this moment to money volume \$500,000,000, and yet we might not prevent a possible stringency two years hence, for that increased money volume will simply form the basis for an expanding credit. The relation, of course, of the money volume and credit is the relation almost of an inverted pyramid, the apex forming the base and the superstructure gradually extending out in the shape of credit, which is many times as large as the base, and as we increase the base of the superstructure, credit is increased and when credit is impaired, you must enlarge the base in order to maintain your structure.

The best system that has been brought to my observation for preventing a monetary stringency is that which prevails in Germany. There the bank, which has the character of a national bank, is authorized in times of stringency, or whenever it deems best, to issue paper money in almost unlimited amounts, but the Government imposes upon that paper money a gradually increasing charge, so that it automatically forces the retirement of the money when the stringency is over, because the charge imposed by the Government is greater than the profit which can be made by the banks through this issue of paper money.

Mr. COMSTOCK. Do you remember about what that charge is?

Mr. NEWLANDS. It is an increasing charge. The percentage is quite considerable. The object is to force the retirement of this emergency money, and it is intended to meet the condition of things when credit is impaired and there is a greater demand for money in order to perform the functions heretofore performed by credit. You will observe that during the late panic they practically resorted to that system in New York by the voluntary action of the banks. There the associated banks were represented in the clearing house. The banks of New York, during that panic, were practically in suspension. There was not enough money in New York to meet the demand. It was being hoarded, being put into strong boxes, and was withdrawn from circulation, and they

had to invent money to take its place. The different banks of New York deposited with the clearing house securities, and the clearing house gave them certificates that they had deposited so much value with the clearing house, and those certificates were by the voluntary action of the bankers and business people of New York considered as money and used as a legal tender, so that by the invention of that kind of emergency money they were tided over. It is safe to say that if they had not invented that money, a most disastrous panic would have extended throughout the country.

The clearing house exacted a charge for this service, and the result was that when the emergency passed, the certificates were retired, because the banks preferred to retire them and avoid this charge. This emergency money, instead of being out and constituting a basis for unlimited expansion of credit, was retired, and the monetary volume remained as it was before the panic came.

It seems to me that some such condition of things could be brought about, and that the national banks could be made the agency for it. You will observe that if business people of New York had not voluntarily acquiesced in that scheme, the result would have been disastrous. It seems to me that such an agency for the creation of an elastic currency, which is intended to meet a particular emergency, could be retired when the emergency is over.

Mr. WILLIAMS. Some sort of security would have to be provided.

Mr. NEWLANDS. The national banks should be permitted, upon the deposit of United States bonds or State bonds, or such other security as the Secretary of the Treasury might approve, to receive United States Treasury notes and to use them for money. The United States Treasurer might impose a charge upon that issue of money, increasing as the volume of money issued increased, so as to automatically force its retirement when the emergency is over.

THE ALLEGED GLUT OF MONEY.

The bankers of New York say now that the recent emergency is over and money is a glut. This is due to the fact that the enterprises of the country have been so severely shocked. The whole country almost is in liquidation, and there is not a demand for money for enterprises because the people are afraid to go into them, and besides there is a sense of insecurity in the money centers of the United States, which makes the people more careful of the securities upon which they lend money, and practically they leave the money in the banks, and hence the banks are said to be glutted with money. But if you go out to the places where enterprises are being conducted, you will find no scarcity of money. There is no glut of money in the new States, where railroad enterprises are going on, and where irrigating enterprises are being inaugurated.

Mr. BARTINE. The people of the Mississippi Valley are not complaining very much of a glut of money.

Mr. NEWLANDS. No; and they are not complaining of it in San Francisco.

Mr. WALKER. Do you make any distinction between capital and money?

Mr. NEWLANDS. Capital does not consist entirely of money.

Mr. WALKER. Do you use them as interchangeable terms in what you are saying?

Mr. NEWLANDS. Money constitutes a part of capital. Capital is not necessarily confined to money.

Mr. WALKER. You are using capital as an interchangeable term with money?

Mr. NEWLANDS. Not in the sense of an absolute equivalent.

Mr. WALKER. Practically it is.

Mr. NEWLANDS. Capital is much vaster than the actual money volume.

Mr. WALKER. Did you ever know a scarcity of money when there was plenty of capital?

Mr. NEWLANDS. Yes, sir; there was a scarcity of money in San Francisco when there was plenty of capital there.

Mr. WALKER. Paper money?

Mr. NEWLANDS. I mean money to be loaned and obtained upon loans.

Mr. WALKER. Did you ever know a man in San Francisco to be refused a loan for the reason that there were not enough bills to hand to him provided there was capital to answer the loans that he asked for? Has that ever happened within your memory? Did you ever have a friend who could not get a loan because the bank could not get the bills to hand him?

Mr. NEWLANDS. I have known a great many men to be refused loans because there was not enough money. Let me say this with reference to my position in this matter: I don't appear here simply as a mining man. I am trustee of an estate that has railroad, irrigating, land, hotel, and banking interests which largely outvalue its mining interests.

Mr. WALKER. I have not said anything about your interest.

Mr. NEWLANDS. No, you have not. But I wish to say that the estate which I control as trustee owns a large interest in the chief bank of the Pacific coast, the Bank of California, the capital stock of which is selling for over nine millions of dollars. The bank stock which I control is worth four or five times as much as the mining interest I control. We are the largest stockholders in the bank. We own about one-third of that stock. I am a director in that bank. While I am a mining man, I am engaged in banking, and as such am a money lender. I am engaged in irrigation enterprises, railroad enterprises, and I am building railroads and canals and houses, and as such I am a money borrower. I therefore claim that my interests lead me to take a fair and impartial view of this question.

NO ANTAGONISM OF CLASS INTEREST.

Mr. WALKER. Do you think that the money-lending classes in this country have an interest in opposing free coinage that is antagonistic to the interest of the wage worker or the farmer? That is to say, what is the interest of one is the interest of all?

Mr. NEWLANDS. I think the prosperity of the whole country and the prosperity of every interest depends upon a proper monetary system. I think a proper monetary system requires that we should have the use of both gold and silver money, and that we should have an increase of our money supply in order to maintain and increase our per capita.

Mr. WALKER. It has been said here that the money-lending classes have an interest different from the wage-worker and the farming classes in the country. I will ask you whether as a man who lends money your interest is antagonistic to that of the farmer and the wage-worker?

Mr. NEWLANDS. I do not think it is.

Mr. WALKER. Is not that true of all money lenders?

Mr. NEWLANDS. It ought to be. I want to see a policy pursued that will be to the interest of all.

Mr. WALKER. Is it not a fact, then, that the free coinage of silver, if

it benefits any one, will benefit not one class against another, but all classes alike, and if the failure of free coinage injures one class, it will injure all alike? Is it not impossible that it should be antagonistic to capital and not be antagonistic to wage workers as a class? Would not all prosper or suffer together?

Mr. NEWLANDS. I do not say it is impossible that there may not be antagonism between the money-borrowing and the producing classes.

Mr. WALKER. I mean on account of the monetary legislation of the country?

Mr. NEWLANDS. I think that is true. What is good for all is good for every individual in the community. I can not say that the policy of the banking element and the money-lending class has always been such as would produce the best results to all. I think that much of the monetary legislation of this country has been unwise, and the most unwise act of all was the demonetization of silver in 1873.

NECESSITY FOR ELASTIC CURRENCY.

I spoke of an elastic currency. The great trouble with the present condition of our affairs is that our banks are really financial cyclone breeders. So long as confidence exists and credit is unimpaired, they put out their money freely and even urge borrowers to take it. As soon as credit is impaired or confidence is impaired, they commence to draw in money, refuse to make new loans, and to draw in existing loans, and hence without really intending it, they aid in accomplishing the very result that they seek to avert. So I say that it is necessary, in addition to the gradual increase of the volume of our currency, to provide for some elasticity in order that the people may know that when an emergency arises, more money may be provided, and that very knowledge will often avert a panic without the exercise of the power.

It is said that silver is so bulky and occupies so much space that it is rapidly losing its value as a money metal. I made an estimate based upon the statistics of Director Leech. I inquired of him what would be the value of a cubic foot of solid silver. His answer was, \$12,000. I made an estimate of what would be the size of a building which would contain all the silver at present existing in the world, amounting to thirty-eight hundred millions of dollars, and I found that a building 100 feet long, 100 feet wide, and a little over 30 feet high would contain all the silver in existence in the shape of money.

Mr. COMSTOCK. That is interesting considering the talk we hear on that subject.

Mr. NEWLANDS. That is all the silver that the world contains.

Mr. WALKER. How much do you estimate it at?

Mr. NEWLANDS. Thirty-eight hundred millions of coin silver. That is the estimate based on Director Leech's statistics. There is one table which I would like to incorporate in what I have to say which illustrates my views in reference to an elastic currency, and which I will hand to the reporter. It epitomizes what I have said in regard to the amount of currency in existence. The Director of the Mint, in a recent report, says that our circulation on October 1, 1890, was as follows

Gold (coin).....	\$386, 939, 723	
Gold (certificates).....	158, 104, 739	
Total gold.....		\$545, 044, 462
Silver (standard silver dollars).....	62, 132, 454	
Silver (subsidiary).....	56, 311, 846	
Silver (certificates).....	309, 321, 207	
Total silver.....		427, 765, 509

Treasury notes, redeemable in coin, issued in pursuance of the act of July 14, 1890.....	\$7, 106, 500
United States notes, greenbacks, backed by a reserve of \$100,000,000 gold in the Treasury.....	340, 905, 726
National bank notes.....	177, 250, 514
Total note issue.....	<u>\$525, 262, 740</u>
Grand total.....	1, 498, 072, 709

Mr. COMSTOCK. The bill which you speak of having formulated is not before the House now?

Mr. NEWLANDS. No, sir; I only completed it last night, and I have only taken hold of it in the past few days. I want to give you an illustration of how these money panics prevail over the country. Before I left San Francisco I had a number of loans in existence. That was in November, I think. At all events, it was before the Baring Bros., disturbance. I inquired how money was in the market then and I was told it was easy. I was paying only $2\frac{1}{2}$ per cent for money on call, and on time loans I would be compelled to pay 6 per cent. I heard some rumors of this thing and I concluded to change to time loans, and so I made the change. If it had not been for that change, within two months after that time these call notes would have been called in and I would not have been able to get the money in San Francisco to pay them with, because 2 or 3 days after my arrival here I telegraphed to San Francisco to raise \$250,000 to put in a new enterprise upon the most undoubted security. My agent answered that he could not get any money at any rate of interest upon any sort of security. There was no reason for that condition of things in California. In the East the fruit crop was poor and California produced a fruit crop that was of immense value.

Mr. WALKER. How long time did you ask that loan on?

Mr. NEWLANDS. I forget.

Mr. WALKER. Was it a year or ten years?

Mr. NEWLANDS. Oh, it was a limited time; a year or something like that. I say there is no excuse for that condition of affairs in California. They raised a greater crop than they ever did before. The value of land has increased because of the extraordinary profit realized upon the fruit crop. Everything was prosperous, and yet, because Russia called upon the Barings for £5,000,000 in gold, which the Barings could not meet, a wave of contraction swept across the ocean, involving New York and gradually reaching out to Chicago, St. Louis, and San Francisco. It was felt later in San Francisco. New York has recovered from it, but San Francisco has not yet recovered, and money is yet tight in San Francisco. Our financial system must be very bad to perpetuate such a condition of things. It will not do not say there is a glut now, or that there is too much money in the country.

I say that the strength of a chain is demonstrated by the strength of its weakest link. If you have a chain all the links of which will stand a pressure of 100 pounds, except one, and that will stand only 10 pounds, the resisting power of that chain is only 10 pounds. The strength of our financial system is not to be determined in such times as we may have confidence, but it must be measured in periods of stringency when the greatest pressure comes, and yet there never has been a stringency in this country when our financial system has been adequate to meeting the issue without an absolute embarrassment of values and destruction of confidence among individuals. I say our money volume is too small. It can be cornered. It ought to be so large that it can not be cornered. You will recollect the history of Black Friday,

when a few moneyed men in New York who had sold short in railroad and other stocks and wished to depress the market in order to realize a large profit, cornered the legal-tender money of the country. That has been absolutely proved. They withdrew the legal tender from the banks, upon their notes, and locked that money in strong boxes.

Mr. WALKER. Has not a law been passed to prevent that?

Mr. NEWLANDS. You can not prevent it or forbid it by law.

Mr. WALKER. Has there not been a law passed to prevent that?

Mr. NEWLANDS. You can not prevent or forbid it by law.

Mr. WALKER. Could they not do the same thing with coin?

Mr. NEWLANDS. Not unless there was a small amount of it. A banker of Hartford told me that a man came from New York prior to that period and borrowed money, demanding that it should be in greenbacks. He put the greenbacks into bags and told them to make a special deposit of those greenbacks so that they were not available in the currency of the country.

Mr. WALKER. How can the free coinage of silver help or hinder a condition like that?

Mr. NEWLANDS. It can be helped by increasing the money volume. That banker understood a little later on what that meant when Black Friday was precipitated. When there is not enough money in the country to perform the functions required of money, and holders of securities are obliged to put upon the market those securities and sacrifice them, these wreckers make fortunes at the expense of the substantial people of the country. Now I say that a very small money volume puts it in the power of a few wreckers, or those who are too timid or too cautious, to imperil at any time the prosperity of the country. I say it not only requires a gradually expanding money volume, which can be safely limited by nature itself, in the product of the mines, but in addition we would require an elastic currency which will permit an overissue of money temporarily to meet the emergency caused by embarrassment and want of confidence, as well as the withdrawal of money and the action of the timid in general.

FUTILITY OF INTERNATIONAL CONFERENCES.

We all agree that bimetallism is a good thing. We all agree that we ought to use both gold and silver, and that all nations ought to use the products of the mines. We all know the history of the country in reference to money. Civilization has always advanced whenever the mines have yielded their products freely, and civilization has always been retarded when the mines gave out. We all know that the period of the Dark Ages was caused by the suspension of the product of the mines. The only question is, how shall it be done—by international conferences, or by a courageous departure upon the part of some powerful nation which will thus set the ball in motion? I have no faith in international conferences. Ever since the United States committed itself in that way it has been standing, hat in hand, asking for the recognition of silver. The nations of Europe had a right to say, "You were the first powerful nation, following Germany, to strike down silver by legislation. Now atone for your act of folly and prove your faith by reversing your action."

Mr. BARTINE. Did not that act on the part of the United States precede the final act of demonetization by Germany?

Mr. NEWLANDS. I believe it did.

Mr. BARTINE. Germany had taken the preliminary step, but my impression is that she had not reached the final stage.

Mr. NEWLANDS. The United States was an agent in demonetizing silver, unknowingly and unconsciously. What is the trouble with reference to these conferences? One trouble is we never get an earnest bimetallist as a representative of this country in those conferences.

Mr. WALKER. You do not include England in that category?

Mr. NEWLANDS. No. I am distrustful of these conferences, and why? One reason is that no earnest bimetallists are ever put upon those conferences.

We all know that during Mr. Cleveland's administration, Mr. Atkinson was sent as a representative of bimetallic America to represent bimetallic principles. Mr. Atkinson is a man of great ability and doubtless of sincerity, but I hardly think that any man who heard his statement before this committee, would call him a bimetallist. If I understood him, he seemed to think there was enough gold in the world to perform the functions of money. He went to England and France as the representative of the aspirations of this country for bimetallism, being appointed by President Cleveland. I am told that he arose among his associates in the conference at Paris and announced to the gentlemen there that it was his opinion that the Bland act would be repealed. You can imagine what effect such an expression of lack of confidence in bimetallism would have upon the representatives of the nations with whom we were conferring with a view of the remonetization of silver.

Allow me to read at this point about ten lines of his testimony before the Monetary Commission of the United States. This shows his views with reference to silver:

Q. 26. Is not the yield of all mines of importance a matter of public information through the statements and reports of their superintendents or other officials; and is it not a fact that the increased production during the past 2 years has come almost entirely from the consolidated "Virginia" and "California" mines of Nevada?—A. I am not aware of that fact. I should question the evidence as to the total production of silver, partly on the ground of what I saw in the Centennial Exhibition from Mexico.

Q. 27. What did you see at that exhibition that led you to question the correctness of silver mining statistics?—A. A very curious mass of silver, thick in the center and thin at the edge, as if it had been cast in an earthen pan. It was afterward explained to me how it was obtained; that there were cliffs containing veins of metal against which piles of combustible materials were placed and set on fire, and the production was collected in what might be called an earthen pan, and this was alleged to be a rough production by this process. I at once inferred, in relation to silver production, that statistics might be fallacious.

Q. 28. Did you accept this remarkable statement as true?—A. Yes, with considerable reservation.

Mr. WALKER. Mr. Atkinson says the reporter did not take down the words correctly, and he is entitled to say what he did say. He says that he said that this "silver ore was mined from the cliffs." He says those were the words which he used.

Mr. NEWLANDS. That would not materially change his statement. Mining men know about the production of silver, and the story that cliffs of silver were melted by lighting a fire inside is so absurd as to excite the risibility of any one who knows how silver is produced.

EXCLUSION OF FOREIGN SILVER.

If all the silver coined in the world were melted into bullion, it would only fill a building 100 feet long, 100 feet wide, and a little over 30 feet high. You could get it all in the hall of the House of Representatives, and have room to spare.

Mr. COMSTOCK. The statement that Mexico produced \$415,000,000 of silver is incorrect.

Mr. NEWLANDS. That is a mistake. The entire production of the world is only \$140,000,000. In order to maintain our present per capita, we will have to absorb at least \$80,000,000 per annum. I do not think we can get that much, even with free coinage. We can only get it if this store of silver in Europe is precipitated upon us. I will say to that, that I would have no objections to putting into a free coinage act a provision limiting free coinage to the actual product of the mines, and putting a mint charge or seigniorage upon all other bullion. That would absolutely prevent foreign nations from putting their coin into the melting pot and sending it over here as bullion. It is perfectly easy to identify bullion produced in the mine. I asked Mr. Windom about that, and he said there would be no trouble in identifying it. He prepared some methods of identifying the product of bullion from the mines.

FUTILITY OF INTERNATIONAL CONFERENCES.

With reference to the kind of men that we have selected to represent a bimetallic sentiment, I will say that our action has destroyed the confidence of the bimetallists of the country, and especially those in the West, in any attempts to restore the free coinage of silver by international action. I thought that was very well put by Banker Gibson, of New York, who said that the free coinage of silver must be restored by events, and not by literary discussion. If we have conferences, they must be followed by legislation, and some nation must start in that legislation, and why should not this country make a start in that now? This is the most powerful nation in the world.

Mr. BARTINE. You think that if the United States should act it would have a strong moral effect?

Mr. NEWLANDS. I have not the slightest doubt of it. There is every evidence that bimetalism is gaining strength in Europe. Mr. Goshen and Mr. Balfour, the leaders in England, are both bimetallists. One of them said recently that England would finally resort to bimetalism, but that the commercial sentiment was not yet ripe for it, which means that the banking and money lending interest is not ripe for it, and that sentiment is usually in the rear in all progressive and scientific legislation upon monetary matters.

EXCLUSION OF FOREIGN SILVER.

Mr. COMSTOCK. Conceding that we are now coining the product of this country, what gain would there be to the people in changing the present method to that of free coinage? Would it increase the circulation?

Mr. NEWLANDS. I would not confine free coinage to the product of the American mines, but to the product of the mines of the world. I would simply exclude that bullion which came from melting foreign coin.

Mr. WALKER. How can you tell whether the bullion is made by melting foreign coin?

Mr. NEWLANDS. I am told it is easy. I base my authority on what Mr. Windom told me.

Mr. WALKER. That you could identify bullion made from foreign coin from that of from ores?

Mr. NEWLANDS. A system of regulations could be devised which could compel proof and identification that the bullion was produced in the mines and presented to the mint.

Mr. WALKER. Continuous proof?

Mr. NEWLANDS. Continuous proof.

PROSPECT OF BIMETALLISM IN EUROPE.

Mr. WALKER. Do you pretend to say that the moral influence of legislation by our country alone would be sufficient to overturn the customs of the world as to the use of silver and gold?

Mr. NEWLANDS. I think it would be potential; but your question is too broad. You must recollect that all the world is silver using, with the exception of the nations of Europe, and but few of them; and that their population is small as compared to the population of the world. You must consider that this agitation has been going on in other countries just as well as here, and that some of the best thinkers of England are in favor of bimetallism.

Mr. WALKER. Who are they?

Mr. NEWLANDS. Mr. Goschen, for one.

Mr. WALKER. Are not the opinions of bankers and men who understand these things worth more than those of theorists?

Mr. NEWLANDS. I think not as a rule. I think that the banker who has made an intelligent study of monetary science, who has read all the works on the subject, and has studied the relation of the money volume to business and population, and considered all the varied theories, and has added to this his practical experience in banking, probably would be a safe guide; but as a rule bankers make no study of monetary matters. As a rule they are simply pawnbrokers upon a large scale.

Mr. BARTINE. Allow me to suggest in this connection that two of the most eminent bankers in England, Mr. Gibbs and Mr. Crenfield, both ex-governors of the Bank of England, are strong bimetallists.

Mr. NEWLANDS. Mr. Gibbs is a bimetallist, and he said that in Parliament alone there were a hundred bimetallists.

RELATIVE AMOUNT OF SILVER COINAGE IN UNITED STATES.

Mr. COMSTOCK. It is stated in the report of the directors of the mint that last year \$132,000,000 in silver was coined in the world. Of this the United States coined last year, \$35,000,000, but this year we are utilizing 54,000,000 ounces.

Mr. TAYLOR. We are adding 54,000,000 ounces of silver a year, while all the rest of the world is adding only \$90,000,000. Are we not getting too much?

Mr. NEWLANDS. I think we ought to reach out and get it all, if we can. I never knew a nation to be injured by utilizing the product of the mines. They have been injured by using paper, but never by using the product of the mines. It is a benefaction held out by nature and ought to be taken advantage of.

Mr. COMSTOCK. The coinage of gold is \$20,000,000. We have now, by recent silver legislation, provided for a coinage of perhaps \$60,000,000 per annum, and only about \$20,000,000 of gold. Can we maintain the parity between the two metals at that rate?

Mr. NEWLANDS. I think so.

PROFIT TO MEXICO OF HER SILVER.

Mr. WALKER. Do you think that the amount of metal taken from the gold and silver mines in any country has ever materially influenced

its prosperity? That is to say, has Mexico prospered on that account?

Mr. NEWLANDS. No; but a country that can get hold of the gold and silver and put it into the money volume has been immensely benefited.

Mr. WALKER. Has not Mexico gotten hold of everything coined there?

Mr. NEWLANDS. No; I think she exports it.

Mr. WALKER. Does she not get hold of all the silver as money that is coined in that country, except what is sent here as ores? Does she not get hold of it in the first instance as money?

Mr. NEWLANDS. I do not think so.

Mr. WALKER. Is it not coined before it is sent out of the country?

Mr. NEWLANDS. I do not know.

Mr. WALKER. I suppose it is coined in dollars or into bars?

Mr. NEWLANDS. It is made into one or the other.

Mr. WALKER. Do you think the existence of silver mines in Mexico has materially added to her prosperity?

Mr. NEWLANDS. The existence of silver mines in Mexico and the product of those mines have not had as material an effect upon the prosperity of Mexico as would have resulted from the utilization of that money. The trouble with Mexico is, it has produced silver as a commodity and exported it to other countries. Mexico simply treats it as a commodity. If she had used it as money there and allowed it to have its energizing effect in the various enterprises of the country, Mexico would have progressed wonderfully.

Mr. WALKER. It appears that the mines of Mexico are out of all proportion to those of any other country, but for 200 years it has not been utilized to her prosperity.

Mr. NEWLANDS. It has not been.

Mr. WALKER. Is it not a fact that in proportion to its civilization a country controls the money metals without any reference whatever to the country in which the money metals are produced?

Mr. NEWLANDS. I think that is true.

SILVER UNDER FREE COINAGE AND ACT OF 1890.

Mr. FLOWER. Mr. Chairman, with your permission, I would like to ask Mr. Newlands a few questions.

The CHAIRMAN. Certainly.

Mr. FLOWER. This \$1,100,000,000 of silver that is coined in Europe of the standard of $15\frac{1}{2}$ to 1—some is coined at 15 to 1 and some at $15\frac{1}{2}$ to 1.

Mr. BARTINE. There is \$1,100,000,000 at $15\frac{1}{2}$ to 1. What danger is there of having it coined at 16 to 1? In other words, what danger is there of using the ratio of 16 to 1?

Mr. NEWLANDS. I do not think there is any danger whatever, because they would have to dispose of their silver at a loss. The silver which is coined in a country in the ratio of $15\frac{1}{2}$ to 1 performs the same functions as a dollar of silver coined in this country at the ratio of 16 to 1, and, all other things being equal, I do not think it is to the interest of the merchants or the governments of other countries to send their silver here when they would have to increase the amount constituting the silver dollar.

Mr. WALKER. What do you mean by sending here at a loss. If they send it then they can turn around and replace it at the same price or a less price, and how are they doing it at a loss?

Mr. NEWLANDS. I am talking of coinage in Europe.

Mr. FLOWER. Silver has been as high as 121 per ounce in New York. It reached that point for one day. Did the market of England follow it up?

Mr. NEWLANDS. I do not remember. My impression was it hardly reached as high a figure.

Mr. FLOWER. How much more silver, if any, came here in the 6 months after that law went into effect than came before that time?

Mr. NEWLANDS. I have been told that none came. I asked Secretary Windom whether he feared an inflow of European coin and he told me he did not. Perhaps I ought not to say that, because it is so utterly in contrast with the last speech he made in New York.

Mr. WALKER. I do not think it is. He did not expect it to come here.

Mr. NEWLANDS. None came here from Europe.

Mr. FLOWER. Under the present law the Government buys silver every two or three days in the week at the market price. It has bought as high 118 or 119; but they issued the same number of certificates when they bought at 118 as they do at present. How much would the Government have to buy under such a law as this to keep the price up to 129, or to put it up to that figure? I see the Senate estimates it at \$12,000,000, and that would take everything on the market.

Mr. NEWLANDS. I can hardly answer that directly, but I can answer it indirectly in this way: That I am informed that the only store of silver in the world is that which is held in New York in the shape of silver certificates, amounting to about eight to twelve millions of dollars. If the present conditions remain and if the demand from other silver-using countries, China and India, remains the same and the production from the mines remains the same, that after that stock of silver is absorbed the price of silver will steadily go up. Whether it would reach 129 I can not say.

Mr. FLOWER. Do you think that if it reached 121 before it would likely reach 129 in that event?

Mr. NEWLANDS. After silver advanced to 121 in Europe they would not put it into the melting pot and send it here for free coinage.

Mr. WALKER. Do you think that the receding price had anything to do with its not coming over?

Mr. NEWLANDS. During the period of advancement none came over, and that is the time when we would expect it to come, if at all. People are slow to dispose of anything which is going up, and if the price of silver is advancing, people will be disposed to hold silver.

Mr. BARTINE. Is it not a fact that the simple circumstance of silver being depreciated has given rise to the main objection to it?

Mr. NEWLANDS. I think so. I think that the demand for the current product was withdrawn by the demonetization of silver and that it affected the price, just as the demand for anything will affect the price. Bismarck properly described it as a gold blanket which would not cover the world. Each nation struggled to cover itself, and in doing so uncovered some other nations.

Mr. BARTINE. It has been said that if we adopt free coinage other nations would make a rush to unload their silver. Is it not reasonable to believe that, the depreciation having been the chief cause of the objection, if we remove the depreciation we will thereby remove the objection?

Mr. NEWLANDS. It is the depreciation that has caused a disposition to get rid of silver, and I think that an advance in the price will stimulate people to hold on to it.

Mr. FLOWER. How much silver coinage would free coinage give us in one year; free coinage does not buy anything?

Mr. NEWLANDS. Free coinage would give us this store in New York. After that we would absorb of the annual product, which amounts to

\$140,000,000, not more than \$80,000,000 to \$100,000,000, as other nations and the arts would absorb the rest.

Mr. FLOWER. Your idea is that free coinage would build up instead of building down the dollar?

Mr. NEWLANDS. It would stimulate the silver industry. Nevada has been struck prostrate by legislation.

The CHAIRMAN. You speak of adding \$80,000,000; do you mean that by free coinage we would be issuing certificates and not gold or silver bullion?

Mr. NEWLANDS. That is free coinage.

Mr. FLOWER. Would not that be limited by the capacity of the mints the first year.

Mr. NEWLANDS. Yes, if you coin all the silver.

BILL RECOMMENDED.

Mr. Newlands asked leave to present to the committee a bill which he had drawn intended to meet the propositions suggested in his remarks. It had been introduced in the house by Mr. Morrow by his request. He had prepared a copy with explanations under the head of each section.

Mr. Newlands said that some of the provisions contained in this bill come from various bills, among them the bills of Senator Sherman, Senator Plumb, and particularly the bill drawn by Mr. St. John, the banker, of New York; but that it is drawn upon even more conservative lines than that of Mr. St. John.

Mr. MORROW (by request) introduced the following bill:

A BILL to provide for the free coinage of silver, the product of the mines, mills, or smelters of the United States, and to provide against the contraction of the currency and for the unification of the currency.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the compulsory requirement of the deposits of United States bonds with the Treasurer of the United States by national banks having a capital of not more than fifty thousand dollars, is hereby limited in amount to one thousand dollars of bonds for each and every national bank: *Provided,* That the voluntary withdrawal of bonds for the retirement of national bank notes shall not exceed the sum of three million dollars in any one month: *And provided further,* That this act shall not apply to the deposits of bonds which may be required by the Secretary of the Treasury to secure deposits of public moneys in the national banks.

[Under the national-bank act every bank is compelled to deliver to the United States Treasurer registered bonds to an amount of not less than \$30,000 nor less than one-third of the capital stock paid in; and thereupon the Comptroller of the Currency, under section 21 of said act, issues 90 per cent. of the par value in circulating notes called national bank notes.

[Many banks are desirous of retiring their circulation and selling their bonds because of the high price of the latter. As the bonds do not add to the security of the depositors, but simply to the security of the holders of the notes, there is no objection to the compulsory deposit being reduced, which will facilitate the retirement of a large amount of national bank notes, probably \$30,000,000 annually for 6 years.

[The total amount of national bank notes is about \$180,000,000. It would take 6 years to replace this amount by United States Treasury notes at the rate of \$30,000,000 annually. The above section should be amended so as to reduce the compulsory deposit of bonds by banks having a capital of over \$50,000 to \$5,000. The section as given was taken from Senator Sherman's bill, which also provided for an issue of \$200,000,000 in bonds, which were intended to secure the circulation of banks having a capital of over \$50,000. As this proposition was defeated, there is no reason why the compulsory requirement as to this class of banks should not also be diminished.]

SEC. 2. That whenever the circulating notes of national banks, including such notes in circulation, represented by lawful money deposited by the banks in the Treasury for the redemption of such notes, shall amount to less than one hundred and eighty million dollars, the Secretary of the Treasury is authorized and directed to purchase from time to time, as such circulating notes are retired and canceled, such silver bullion as may be offered, at the market price thereof, not exceeding one dollar for three hundred and seventy-one and twenty-five one-hundredths grains of pure silver; but such purchase shall not exceed in the aggregate at any time an amount equal to the amount of such national bank notes as may be retired and canceled below the said sum of one hundred and eighty million dollars. The Secretary of the Treasury shall issue, in payment for such purchases of silver bullion, Treasury notes of the United States of the form, character, and function prescribed in section four of this act.

[As the withdrawal and retirement of the national bank notes, unless some substitute is put in their place, would result in a contraction in the money volume and a reduction in the per capita, it is desirable that some substitute should be provided for. This section authorizes the Secretary of the Treasury to purchase silver bullion and to issue Treasury notes to the extent of the national bank notes retired. It will be observed that this power is given in addition to the free coinage of the American product, provided for in section 3. It is necessary for this reason. In order to maintain our present per capita of \$22.36 it is essential to increase our money volume as population increases. Between \$50,000,000 and \$60,000,000 per annum, the entire American product, will not be more than equal to this demand. Hence the necessity of permitting the Secretary of the Treasury to go into the world's market and purchase any bullion, whether foreign or not, for the purpose of replacing the national bank notes.]

SEC. 3. That from and after the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of twenty-five and eight-tenths grains of standard gold, or four hundred and twelve and one-half grains of standard silver; and the said coins shall be receivable for customs dues and be a legal tender for all public and private debts. And any owner of gold or silver bullion, not too base for the operations of the mint, may deposit the same at any mint of the United States, in amounts of each of not less value than one hundred dollars, to be coined into standard dollars for his benefit without charge, and receive therefor, respectively, standard gold coin or standard silver coin; and, at the owner's option, he may receive instead thereof, at the coinage valuation thereof, Treasury notes, to be issued by the Secretary of the Treasury, of the form, character, and function prescribed in section four of this act: *Provided further*, That all silver bullion not the product of the mines, mills, or smelters of the United States, and all silver coin and silver bullion the product of silver coin other than the silver coin of the United States, shall be subject to a mint charge to be fixed from time to time by the Secretary of the Treasury, but which charge shall be equal to the difference between the market value of said silver bullion in London, England, at the time of its deposit, and the coinage value thereof; and the Secretary of the Treasury may make such rules and regulations as may be necessary to determine whether the silver bullion so offered is or is not the product of the mines, mills, or smelters of the United States.

[This section simply provides for the free coinage of the American product, which is estimated at between 50 and 60 million ounces per annum. It excludes the foreign bullion and the bullion which is the result of melting foreign coins. This is in deference to a fear that exists, though it is regarded as entirely unwarranted, that the silver coin of Europe may be precipitated upon us.]

SEC. 4. That the Treasury notes provided for in this act shall be in such form and of such denominations, not less than one dollar nor more than one thousand dollars, as the Secretary of the Treasury may prescribe, and all such Treasury notes issued under the provisions of this act shall be a legal tender for their nominal amount in payment of all debts, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 5. That the Secretary of the Treasury be, and he is hereby, authorized to cause the subsidiary silver coins of the United States, now in or which may hereafter be received into the Treasury and subtreasuries of the United States, which are abraded, worn, mutilated, defaced, or otherwise unfit for circulation, or are of denom-

inations for which there is no current demand, to be recoined at the mints of the United States into such denominations of subsidiary silver coins now authorized by law as may be required to meet the demand therefor, and that each denomination of such subsidiary coins shall contain its proper proportionate amount of the number of grains of pure silver contained in the silver dollar. That the loss incident to the recoinage of such uncurrent silver coins into new coins shall be paid from the gain arising from the coinage of silver bullion into coin of a nominal value exceeding the cost thereof, denominated "the silver profit fund."

SEC. 6. That the Secretary of the Treasury is hereby authorized and directed to issue Treasury notes of the form, character, and function prescribed in section four of this act to an amount equal to the market value of the bullion formed from the trade dollars now in the Treasury, and of the bullion to be formed from other trade dollars, and also to an amount equal to the bullion value of ten million dollars of the abraded and otherwise uncurrent subsidiary silver coins now in the Treasury.

SEC. 7. That from and after the passage of this act the reserve of gold, amounting to one hundred million dollars, now in the Treasury for the purpose of redeeming the notes of the United States, commonly called greenbacks, issued pursuant to an act approved February twenty-fifth, eighteen hundred and sixty-two, entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," and acts amendatory thereof, shall stand as a reserve for the purpose of redeeming all the notes of the United States now outstanding or to be hereafter issued, of whatever kind or nature, it being the policy of the United States to gradually accumulate in the Treasury, in addition to the reserves of silver now on hand and the silver to be acquired under this act, reserves of gold, to the extent of at least thirty per centum of the entire note issue of the United States.

SEC. 8. That from and after the passage of this act it shall not be lawful to issue any gold or silver certificates, and any of the same on hand or hereafter at any time received in the Treasury, shall be canceled and destroyed, and thereupon and in lieu thereof the Secretary of the Treasury shall issue, in like amount, and as a substitute therefor, Treasury notes, redeemable in coin, of the form, character, and function prescribed in section four of this act, and the gold and silver represented by said certificates shall go into and form a part of the reserves of gold and silver provided for in section seven of this act.

SEC. 9. That hereafter all gold coin coming into the Treasury of the United States shall be immediately set apart as a portion of the reserves of gold and silver provided for in section seven of this act, and in the place of such gold coin shall be substituted the Treasury notes provided for by this act.

[Sections 6, 7, 8, and 9. The purpose of these sections is to gradually establish a bimetallic reserve behind all the United States notes. The gold in the Treasury at present consists of \$100,000,000, backing \$340,905,726 of greenbacks, and also \$158,104,739, backing the gold certificates, and which stands as a specific deposit for their redemption. The object of this act is to put the \$100,000,000 backing the greenbacks immediately into the general reserve, and to put the \$158,000,000 backing the gold certificates gradually into the reserve by providing against any future issue of gold or silver certificates, and providing for the cancellation of the certificates as they come into the Treasury, and the substitution therefor of the United States Treasury notes, redeemable in coin. In addition to this, it is provided that all gold coin coming into the Treasury for customs dues, etc., shall be set apart in the general reserve, and the place of such gold supplied by the United States Treasury notes. In this way silver and gold certificates are cancelled, and the gold and silver is turned into the general reserve without causing a contraction of the currency.]

The statement of the Mint Director of our circulation on October 1, 1890, shows that our gold in the Treasury (consisting of the reserve of \$100,000,000 backing the greenbacks, and \$158,000,000 backing the gold certificates) amounted to about \$258,000,000. The silver at that date (consisting of about \$309,000,000 backing the silver certificates, and \$7,000,000 purchased under the act of July 14, 1890), amounted to about \$316,000,000. According to this same statement it appears that there was in actual circulation in the country, outside of the gold in the Treasury, gold coin amounting to \$386,000,000, and silver coin, consisting of standard silver dollars and subsidiary silver, amounting to \$112,000,000. Under this bill it is expected that a large part of the gold in actual circulation will gradually be drawn into the Treasury through the custom-house, and will constitute a part of the reserve, and that the reserves of gold and silver, for a considerable time at least, will be nearly in equilibrium.]

SEC. 10. That it is the continued policy of the United States to use both gold and silver as full legal-tender money according to the ratio now existing in the United States, or that may be hereafter established by the United States, acting in accord with other nations; and the United States is willing to join with other commercial nations in a conference looking to the adoption of a common ratio between gold and silver with a view to establishing, internationally, the use of both metals as full legal-tender money, and securing a fixity of relative value between them. And when, in the judgment of the President of the United States, a sufficient number of such nations shall have entered into such international arrangement, he may declare the ratio so fixed to be the existing ratio in the United States, and all coinages thereafter shall be according to such ratio until changed by law. The President shall, by and with the advice and consent of the Senate, appoint commissioners, not exceeding three, who shall attend such conference on behalf of the United States, and they shall report their doings to the President, who shall transmit the same to Congress. Said commissioners shall each receive the sum of five thousand dollars and their reasonable expenses, to be approved by the Secretary of State, and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

[This section is taken from Senator Sherman's bill. It declares the bi-metallic policy of the United States and its willingness to confer with other nations and adopt a common ratio. This is necessary for the reason that with our present ratio of 16 to 1 France would hesitate to open her mints to free coinage, lest our silver coins be attracted to her mints, for our silver dollars would be worth more for transportation and free coinage there than they would be worth in this country, as France coins at the ratio of 15½ ounces of silver to 1 of gold.]

SEC. 11. That whenever, hereafter, in any city containing a population of over one hundred thousand, associated national banks, whose aggregated stock shall exceed two million dollars, shall by resolution determine that more money is temporarily required for the purposes of the business of such city, and shall so notify the Secretary of the Treasury, he is hereby authorized, upon the deposit by said associated national banks (with whom) of United States bonds, State or municipal bonds, to be approved by him, and the deposit of the joint obligation of such associated banks, in form to be prescribed by the Secretary of the Treasury, to issue to such associated banks Treasury notes of the form, character, and function prescribed in section four of this act, to an amount equal to ninety per centum of the market value of said United States bonds, to eighty per centum of the market value of said State bonds, and to fifty per centum of the market value of securities other than United States or State bonds. And in order that such money may be retired when such temporary demand shall be over, the Secretary of the Treasury is directed to charge such associated banks in each case interest at the rate of six per centum per annum upon any sum of money issued to them not exceeding five million dollars, and upon such portion of such issue above five million dollars, but not exceeding ten million dollars, interest at the rate of seven per centum per annum, and upon such portion of such issue above ten million dollars, interest at the rate of eight per centum per annum, until such Treasury notes or their equivalent shall be surrendered to said Secretary of the Treasury for retirement and cancellation. Such interest shall be payable monthly. The Secretary of the Treasury is authorized to make such regulations and rules as may be necessary to execute the provisions of this section.

[This section provides an elastic currency, intended to meet emergencies, and to be retired when they are at an end. This retirement is compelled by a charge imposed upon the notes issued by the Government, for as soon as money becomes plenty the charge imposed would be greater than the profits made upon the money. Yet such money would be greatly demanded in a panic like that brought about by the Baring Brothers' suspension, when confidence is impaired and more money, at whatever rate of interest, is required to take the place of credit. It is believed that the existence of the power to create money intended to meet a crisis would actually prevent it, without any exercise of the power. The idea of this section is taken partly from the system which exists in Germany and partly from the experience of the New York banks in the late crisis, when they deposited securities with the clearing house and received certificates of value, which were, by common acquiescence, accepted as money. The banks of New York were practically in suspension, and had it not been for this voluntary arrangement, without the sanction of law, it is probable that general bankruptcy would have taken place. This provision puts it out of the power of either the timid or the wreckers to imperil the finances of the country.]

[An ideal currency system should furnish at all times a supply of money equal to the legitimate demand without either inflation or contraction. It should maintain an even range of prices and enable parties to adjust their transactions in money of the value which existed at the time of the contract. To ascertain the amount of money at all times necessary for such a purpose would require that all the conditions of business and the increase of population be taken into account which would be the work of statisticians.

[A regular increase or decrease of the volume of money according to the general increase or decrease of the demand for a term of years would supply what might be termed the usual demand for money, and would be sufficient so long as the conditions remained normal. It is necessary, however, to provide for emergencies occasioned by unusual calamities and want of confidence occasioned by overspeculation and the like, and also for the unusual demand at certain seasons of the year when crops are moved, taxes are paid, and final settlements are made. If on such occasions the circulation were increased to meet the emergencies and not withdrawn when a necessity for its use terminated, it would produce inflation and unsettle values. Some mode of expanding the currency to meet emergencies and prevent stagnation in business or bankruptcy should be invented which would not be a permanent addition to the volume of money or which could be retired when the occasion for its use has ceased.]

SEC. 12. That in order to maintain as near as may be an equilibrium of gold and silver in the Treasury for the redemption of United States notes, the Secretary of the Treasury is authorized to demand such premium on either gold or silver sought to be withdrawn from the Treasury in the redemption of United States notes as will in his judgment maintain such equilibrium.

SEC. 13. That a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 14. That all acts and parts of acts inconsistent with the provisions of this act be, and the same are hereby, repealed.

GENERAL REMARKS.

It is claimed that this bill will prevent contraction of the currency, furnish an elastic currency, provide for limited free coinage, and back all the United States notes by nearly equal reserves of gold and silver in the United States Treasury. All the gold coin in the world, according to Director Leech's statistics, amounts to \$3,727,000,000, and the silver coin to \$3,820,000,000, the silver exceeding the gold by about \$100,000,000.

It is evident that there is not enough gold in the world to supply it with money, and this is demonstrated by the fact that, in addition to both the gold and silver coin, the world is obliged to rely upon notes—either government notes or bank notes—which constitute a legal tender. In 1890 our population was about 65,000,000, and our money volume about \$1,500,000,000, which gave us a per capita circulation of a little over \$22—that is to say, if all the money in the country were divided equally each person would have a little over \$22 in money.

Our population is increasing a little over 3 per cent. per annum, and in 1920 we will probably have a population of 130,000,000. We will then require, in order to maintain our present per capita, a circulation of \$3,000,000,000, which means an annual increase in our money volume of at least \$50,000,000. Our national bank notes amount to \$180,000,000. The banks are retiring their circulation because they find it more profitable to sell their bonds. This retirement is taking place at the rate of \$30,000,000 per annum, and in six years, at this rate, the entire national bank notes in circulation will be retired.

Unless some substitute for the national bank notes is provided a contraction in the money volume and a diminution in the per capita circulation will take place. It is estimated, therefore, that between \$80,000,000 and \$90,000,000 increase of money volume will be required for the next six years, in order to maintain our present per capita without increasing it at all. But ought we not to increase our per capita? The per capita of circulation in France is \$57; of England, \$22; of Germany, \$20; of the United States, \$22. While it is admitted that our per capita could safely be less than that of France, because of our increased banking facilities, it is nevertheless claimed that it ought to be larger than that of England or Germany, because our population is scattered over larger areas. A large portion of it—

the portion in which the greatest enterprises and developments are being carried on—is far removed from banking centers, and a larger per capita is required in order to transact the business of the country. It is believed that a safe per capita would be that produced by adding together the per capitae of the four countries, France, England, Germany, and the United States, and dividing them by four, which would an average per capita of \$30. As our population is about 65,000,000, the per capita of \$30 would give us a total money volume of \$1,950,000,000, or an increase of \$450,000,000 above that which now exists. If, then, our money volume were gradually increased for a period of ten years, so as to prevent too immediate an expansion, and to gradually bring up our per capita to \$30, we would require an increase of \$45,000,000 per annum in addition to the \$80,000,000 above enumerated, or a total of \$125,000,000 per annum.

Where are we to get this money supply from? Should we issue simple credit money, backed by nothing but the faith of the Government, or should we rely upon the precious metals produced from the mines, and if so, upon which of the precious metals could we most rely? Of late years there has been a great diminution in the output of gold. The best statisticians agree that the world's mines produce only about \$100,000,000 annually, and of this amount they also agree that all but \$15,000,000 is absorbed in the arts and dentistry, so that the gold mines furnish all the nations of the world with only \$15,000,000 of money annually.

It is evident, therefore, that we can not rely upon that source of supply.

We must resort largely to silver; and how can we do this, and yet at the same time use both gold and silver as money, or establish the use of notes based upon reserve of both gold and silver?

It is claimed that this could be gradually done by the unification of our currency, which is unsurpassed in variety by any nation in the world. We have five kinds of notes outstanding—the greenbacks, the gold certificates, the silver certificates, the Treasury notes issued under the act of July 14, 1890, and the national bank notes. All these notes could be gradually retired, and but one form of United States note issued, redeemable in coin, and similar to the Treasury notes issued under the act of 1890. The process of retirement would have to be a gradual one.

Much thought and consideration has been given to the preparation of this bill, which, without increasing the present per capita of the money volume (for however desirable that may be, it is impracticable in the present conflict of sentiment on the subject), provides for the free coinage of American silver, and besides this free coinage, for the purchase of enough silver in the general market to replace the national bank notes retired, and at the same time unify our currency by substituting one form of note for the motley forms now existing, and back them by reserves, dollar for dollar, of both gold and silver in the Treasury, and also provide an elastic currency, which could be temporarily expanded in times of panic and emergency, and retired when the stress was over.

With reference to the charge that silver is too bulky for use as money, the Director of the Mint, in answer to an inquiry on the subject, states that a cubic foot of solid silver contains over \$12,000. Now the total amount of silver coin in all the world, according to Mint Director Leech, is \$3,800,000,000, and this amount in solid silver could be contained in a building 100 feet long, 100 feet wide, and a little over 30 feet high. It seems incredible that all the silver money of the world, for the possession of which men have been wrestling with nature during the ages, could be contained in so small a space.

It is submitted that the true policy of the United States is—

First. To unify its currency, backing it by reserves of both gold and silver.

Second. To provide an elastic currency to meet all emergencies.

Third. To preserve at least its present per capita volume, by absorbing the product of the American mines, and by purchasing in the open market enough silver to replace the national bank notes retired.

Fourth. To provide for a gradual increase of our per capita circulation to at least \$30. The above bill does not provide for any increase in our per capita. This is a matter of discussion which, in the present condition of legislation, may with safety be left to the future.

FRANCIS G. NEWLANDS,

Recess to 2:15.

At the expiration of a recess the committee reassembled.

STATEMENT OF EDWARD R. HOLDEN, OF DENVER.

Mr. BARTINE. Before you proceed, Mr. Holden, will you be kind enough to state who you are, where your residence is, and what is your business?

Mr. HOLDEN. Denver, Col., is my residence. I have two or three places in the State of Colorado where I reside at different times. The State generally is my residence. I am a smelter, engaged at Aspen, Monarch, and Denver.

Mr. BARTINE. You are a miner and smelter.

Mr. HOLDEN. Yes, sir.

Mr. BARTINE. Do you come here simply in your individual capacity?

Mr. HOLDEN. In my individual capacity and partly as a representative of the smelting interests of Colorado.

Mr. WALKER. They pay your expenses for coming down here?

Mr. HOLDEN. No, sir; I pay my own expenses.

I desire to say, gentlemen of the committee, that after hearing the very elaborate and logical argument of Mr. Newlands on the subject of bimetalism, I do not believe that I could further the cause very much by going into details, and anything I might say would be simply a feeble repetition of what the gentleman from Nevada has said. I come more especially to answer the questions propounded by this committee in the public press of the United States. These questions amount to four distinct and separate ones, on which, it was stated in the papers, you desired information from the various people interested.

Mr. BARTINE. I was not aware of the fact that the committee had propounded any questions.

Mr. HOLDEN. It was given out in the public press of New York that the committee desired answers to four questions.

Mr. BARTINE. It is possible that they are the four questions formulated by Mr. Walker.

Mr. HOLDEN. It was given out that they emanated from the committee, and I consequently prepared myself to come here and answer those questions.

Mr. WALKER. I had no authority from the committee for that, but I thought the committee would like to hear from gentlemen on the points which are immediately involved in the free coinage of silver, and not on general talk.

Mr. HOLDEN. It seems to me, gentlemen of the committee, that the difference which exists on the question of currency between the eastern and western people is so slight, that in my judgment the matter can be settled and both sections satisfied. I am more assured of this than ever after listening to the various representatives of New York and Philadelphia banks and the New York and Philadelphia press. I never knew of a question upon which the whole people of the United States came so near to an agreement and yet seemed to be so far from accomplishing anything. There seem to be only two points which cut any figure.

The first is the fear in the minds of Eastern people that foreign countries would unload their silver on this market in the event of the enactment of a free coinage bill, and thereby take our gold in exchange. The next is the fearful wrong of continuing, as is supposed in the minds of these same people, of an 80-cent dollar on the public of the country.

SCARCITY OF MONEY.

Since my arrival in Washington the other evening I have heard the various gentlemen of the chambers of commerce and the banks I have referred to make various statements and give various reasons why silver should not be remonetized, and why it should not be used as a currency by the people. The only exception I take to any of these statements is one made by the president of the Chamber of Commerce of New York City. He went on to say that there was plenty of money in New York. I trust the committee will give me the privilege of criticising his remarks, as they have a direct bearing upon the financial question. He did not say how long plenty of money had been in existence.

He forgot to mention to you that recently the banks of New York were compelled to issue clearing-house certificates, owing to a scarcity of currency, and that the effect of those certificates is still felt, the last of which were only redeemed a few days ago. They used their faith in each other to supply a money.

He forgot to mention to you that when money is scarce the Treasury of the United States is raided to supply the deficiency; no matter what sacrifices the Treasury may make, the money must be forthcoming.

He forgot to tell you that in no country on earth do the people draw the lifestrings of their country's finance, but that the reverse is true. When France, the greatest bimetallic country on earth, asked for a fabulous loan it was furnished by its people, and that all other nations on earth depend on their people, and not the people on their treasury.

The gentlemen also forgot to state that the average price of interest in New York for the past year was over 10 per cent., and at times money could not be had at even 100 per cent., and at other times not at all on any kind of security.

Mr. WALKER. Where?

Mr. HOLDEN. In New York City.

Mr. WALKER. On what?

Mr. HOLDEN. On securities.

Mr. WALKER. What securities?

Mr. HOLDEN. I do not know just what kind of securities he referred to, but I know there have been times in New York in the past year when money could not be obtained upon security.

Mr. WALKER. Where and by whom?

Mr. HOLDEN. At the banks, by the applicants for money.

Mr. WALKER. By the stock exchange or by business men?

Mr. HOLDEN. By both. But he did say that money now was plenty at 2 per cent. if certain kind of security could be offered, but he forgot to mention the kind of security necessary for 2 per cent. money, nor did he tell us how the wage worker or the producing classes of the great West could take advantage of this cheap money.

It seems to me that the statements which the gentleman made before this committee were very glittering, and that they called and do call for a correction, and I have in my feeble manner tried to show the inconsistency of his statements.

FREE COINAGE OF AMERICAN PRODUCT.

Now, then, referring to the first cause of the great fear which exists in the minds of the Eastern people on the matter of unloading a great deal of silver on this country by European countries, we Western people do not believe that the passage of the free coinage bill will cause

the dumping of foreign silver into this country. One of our reasons for believing that is that the foreign countries are buyers instead of sellers of silver, and that they will continue to be; that the United States is the fountain of the supply. I want to say in my own behalf, and in behalf of the people of Colorado whom I represent, that to remove any fear or anxiety from the minds of the Eastern people we would be very glad to have the bill so amended as to cover the free coinage of the American product only. I believe that is in keeping with the views of Senator Sherman, and the late lamented Secretary of the Treasury, Mr. Windom. The press of New York City, notably the Herald, recently suggested that such a course would sustain and restore confidence, and that the controversy would be ended and the country return to its normal basis.

Mr. WALKER. You say Senator Sherman and Mr. Windom, and who else?

Mr. HOLDEN. The press of New York City—the New York Herald for one.

Now, the second objection that the people of the East offer to the free coinage of silver, and of which we hear so much is the 80-cent dollar. It seems to be a great source of complaint with them. I contend that there must be something radically wrong with the financial policy of the United States Government, and my reason for making this statement is that she takes silver from one class of her people at \$1 and gives it out to another class at \$1.29. What right has the United States Government to perpetuate speculation? We people of the West would be pleased to learn by what right or by what law any government or any nation on earth has a right to take from one class of its people a commodity, as they call it, and give it to another class as a money without paying the full equivalent for it.

Mr. COMSTOCK. Would the Government not have the right to take 80 cents' worth of bullion and make the people take it for 100?

Mr. HOLDEN. I want to assure you, gentlemen of the committee, that the feeling in the West upon that particular point which I just mentioned is not so great as it is on the point of this Government in its financial policy of allowing foreign countries to come in here and buy our silver at a dollar an ounce and take it across the water and put their stamp on it and turn it out at the rate of \$1.29.

Mr. BARTINE. One dollar and thirty-three cents.

Mr. HOLDEN. Various prices, but on an average, \$1.29.

Mr. BARTINE. Referring to the question asked by Mr. Comstock, of Minnesota, whether the Government has not the right to take 80 cents' worth of silver and compel the people to take it at \$1—is that not what the Government is doing now?

Mr. HOLDEN. The Government of the United States in itself is the speculator in silver. It within itself is causing a disaster to commerce and stagnation and scarcity of money. As I said before, the Government of the United States has no right, in my judgment, to take 480 grains of silver from one class of its people, and turn out 371½ to another class. Especially they have not the right to do so with their own people. Particularly is this true also as to foreign countries. Every ounce of silver taken by foreign countries is recoinced into the standard of those countries, and goes out among the people as currency on a parity with gold.

There is not anybody who will question the fact that all the silver in the country is being absorbed as money and used in the arts just the same as is gold, and that every grain of silver which is coined into

money, whether in this country or in any other, is passing current for the ratio which exists in the respective country in which it is used.

Now, then, if this is the case, what right has any government to sell its people at \$1.29 that article which only costs \$1, saying nothing about the uncertainty, the losses which are created and occasioned by the fluctuating value of the money, and thereby bearing down the producing and wage-earning classes of the United States?

Mr. BARTINE. Cutting your statement down to the very essence of the thing, the point that you make is this: that the Government ought not to realize a profit out of coinage?

Mr. HOLDEN. Yes, sir; and more especially not allow foreign governments to live upon our subsistence.

I claim that the question of the silver policy or silver money in the United States is not an international one, as all the gold advocates have been claiming, but that it is an international question, and the best evidence that the question is an internal one is proven by the refusal of all foreign countries to accept our standard dollar as being worth a dollar in gold; and they always will refuse, whether silver is worth \$1.29 an ounce or only 95 cents an ounce.

SILVER AND OTHER COMMODITIES IN SILVER STANDARD COUNTRIES.

The first one of the questions, emanating, as I understood, from the committee, to which I have prepared answers, is as follows:

What effect has the depreciation of the commercial price of silver by one-fifth in Europe and the United States below its coinage price of fifteen and one-half to one of gold had on the price of products and of wages in the silver standard countries?

Calling your attention to the first point, I desire to state that I have had some experience in the transaction of business in a silver standard country. I am therefore to a certain extent familiar with the effect that the decline of silver has had on the prices of products and of wages in such a country. In 1889 New York sight drafts sold at a premium on the average of 35 per cent. in the City of Mexico.

The CHAIRMAN. When?

Mr. HOLDEN. In 1889.

Mr. WALKER. Were you there?

Mr. HOLDEN. My representatives were there; my young men who were buying and shipping ores to me in the United States were there.

The price of silver in New York at that time was about 92 cents an ounce. All business transacted in Mexico is through the medium of Mexican money, and when a merchant desires to place any amount of American money to his credit in New York he is obliged to purchase a draft, paying for it in the coin of the country, silver. The rate of exchange in a silver standard country is governed by the value or price of silver in the markets of the world. Therefore, if the price of silver is low, the price of exchange is high, and the purchasing power of the metal less. On the other hand, if the value of silver is what it should be, and a place is accorded it on a parity with gold, the purchasing power is increased and the prosperity of the country in proportion. Let us see if the facts will bear out this statement.

When the price of silver increased from 92 cents to \$1.19 an ounce the Mexican merchant instead of paying 36 per cent. premium only paid 6 per cent. for his American or English money, thereby saving 30 per cent. and increasing the purchasing power of his money that much. The natural result of this is that the currency of the country has a

greater purchasing power in all foreign countries, so that wages are advanced to the laborers, not in dollars and cents given them per day, but in the increased power to purchase a larger volume of material with the same money.

Mr. COMSTOCK. The increase in the price of silver did not raise the wages of the laborers. You say it enhanced the prosperity of the poor people because they could purchase more with the same amount of silver than before?

Mr. HOLDEN. Yes, sir.

Mr. COMSTOCK. Then agricultural products did not increase in proportion as silver did?

Mr. HOLDEN. The reason for that is this: Of course when silver was 92 cents I paid so much less than when it was \$1.19. You will remember the price of silver sprung suddenly from 92 cents up to \$1.19. That did not have its effect of course upon the entire community, because it dropped down immediately thereafter and the effect was not felt.

WHY HIGH PRICE OF SILVER WAS NOT SUSTAINED.

Mr. WALKER. Why did it drop down?

Mr. HOLDEN. That was due to other causes. England and other foreign countries which were antagonistic to any silver legislation in this country refused to buy a certain amount of silver that was a surplus, and left it upon our hands, and put it in the hands of people in New York City to obtain a corner on that article as they would on anything else. When the price of silver increased from 92 cents to \$1.19 an ounce the Mexican merchant instead of paying 36 per cent. premium only paid 6 per cent. for his American or English money, thereby saving 30 per cent. and increasing the purchasing power of his money that much.

Mr. BARTINE. On that point allow me to say, thereby benefiting the Mexican merchant when he has any purchases to make in the United States, or in some other foreign country?

Mr. HOLDEN. Yes, sir.

Mr. BARTINE. And benefiting the Mexican merchant in the manner you suggested rather than upon internal business?

Mr. HOLDEN. It would have its effect upon the internal business afterwards.

Mr. BARTINE. Certainly. The point is simply this: That the increase in the purchasing power of silver would increase his capacity and ability to purchase in the United States?

Mr. HOLDEN. Yes, sir.

You understand that this entire answer refers to the first question which is asked by the committee, as I understand it, and as I read it:

What effect has the depreciation of the commercial price of silver by one-fifth in Europe and the United States below its coinage price of fifteen and one-half to one of gold had on the price of products and of wages in the silver standard countries?

Mr. BARTINE. I do not know that I quite catch the drift of that question. Let me make a statement. I think Mr. Walker's question simply went to the point as to what effect it would have upon the price of products in this country.

Mr. HOLDEN. That is another question. Let me read the first question:

What effect has the depreciation of the commercial price of silver by one-fifth in Europe and the United States below its coinage price of

fifteen and one-half to one of gold had on the price of products and of wages in the silver standard countries?

I have just taken up Mexico, and have attempted to show you that immediately upon the rise of silver in New York City the exchange which the Mexican merchant had to buy was less, and the purchasing power of the metal greater.

The second question is as follows:

SILVER AND PRODUCTS COMPETING WITH THOSE OF SILVER STANDARD COUNTRIES.

Second. What effect has the depreciation of silver by one-fifth as compared with gold had on the price of products in this country which are sent to Europe in competition with the products of silver standard countries; also in wages in this country?

Mr. BARTINE. That is the question I had in mind.

Mr. HOLDEN. It seems to me that there can be but one answer to the question as above propounded, and in my judgment that answer consists in the fact that the American farmer, in disposing of his wheat and other products in the markets of Europe, and especially in England, is compelled to sell a bushel of wheat at the same price that England can purchase it from the native of India. Neither the India farmer nor the American farmer receives the benefit of any transaction with England; England simply acts as a medium by which the two competitors are pitted against each other, and the profit taken by England. Through the utter absurdity of selling our silver to the British Empire for any price that it might desire to give us for the same, we are responsible for the low price which our farmer is paid for his wheat and other products.

Mr. WALKER. You mean England takes the difference between the gold price and the silver price of wheat?

Mr. HOLDEN. Yes, sir.

Mr. BARTINE. That circumstance operates against the English wheat farmer as well as against the American wheat farmer?

Mr. HOLDEN. Yes, sir; the preference is given to the India wheat farmer upon any product that India may have to sell.

Mr. BARTINE. She fixes the price?

Mr. HOLDEN. Yes, sir; and the American farmer has to compete with that price.

Mr. VAUX. It is not the supply that fixes the price?

Mr. HOLDEN. No, sir.

FREE COINAGE OF AMERICAN PRODUCT.

To continue: England buys our ounces of silver for 95 cents to \$1, takes it to her mints, stamps her marks upon it, and increases its value in dealing with the India farmer fully 30 per cent. In doing so she buys a larger amount of wheat at the increased value at which she issues her coin, and thereby establishes the price of wheat and other products between the India farmer and herself, with which the American farmer is compelled to compete.

If the United States by just legislation will refuse to allow England to take our silver without paying the full gold standard for the same, the English people will be prohibited from making the difference between \$1 and \$1.29, and thereby prevent them from compelling the

American farmer to accept a fictitious price as against his competitor, the India farmer.

It seems to be anything but a business proposition to allow one country to take the bullion of another at a lower price, and send it out among their people at a higher price. For nearly twenty years this has been the case between England and the United States, and it is about time that the country awoke to the fact that if there is any profit to be made on the silver that we now have on hand in this country, that profit should be made by the people who are holding silver instead of allowing it to cross the water at \$1.05 and to continue this outrageous robbery upon our own people.

Mr. BARTINE. You say people who are "holding silver;" what do you mean by that?

Mr. HOLDEN. The common holder of silver; the man who happens to hold a million ounces of silver in New York; anybody who holds silver. Even he is better entitled to it than to let it go to England and let it be coined at the ratio of fifteen and one-half to one.

Mr. WALKER. You say one country ought not to allow another country to take its silver, at what?

Mr. HOLDEN. At the market price silver was selling for in that country.

Mr. BARTINE. And convert it into a currency at a higher price?

Mr. HOLDEN. Yes, sir; there is the fallacy of the 80-cent dollar.

The CHAIRMAN. How can you prevent that by coinage?

Mr. HOLDEN. By enacting a law giving free coinage to American silver. If there is a law giving the miners or the producers of silver the opportunity of selling it to the Government at a price that bears the same ratio of 16 to 1 as \$1.29 in silver does to \$20.67 in gold—

Mr. VAUX. If you exclude the bullion of other countries then the American miners will have the entire control, or as you call it, a corner on silver, and they can raise the price.

Mr. WILLIAMS. They could not raise it above \$1.29.

Mr. VAUX. Why?

Mr. WILLIAMS. That is par.

ENGLISH PROFITS ON SILVER.

England has bought for 15 years about 375,000,000 ounces of silver, on which she has made 30 per cent., or 120,000,000, to say nothing of the corresponding profit on all our cereals and cotton productions, which would amount to a startling sum. She does the coining for all her colonies, buying the silver at its market price in this country and selling it to her colonies at its coined value.

The CHAIRMAN. She coins for Australia?

Mr. HOLDEN. Yes, sir.

Mr. COMSTOCK. Is that the fact? Are you not in error about that?

Mr. HOLDEN. The information I have—and it is very reliable—is that there are no mints except in England. If there is a mint in Australia it is governed, of course, by English people, which is the same as if it were on the Strand in London. There is no material difference, so far as the operation of the mint is concerned, it being under the government of England.

We claim that so long as this state of affairs exists England would be foolish to remonetize silver, and take off the 30 per cent. profit that she is now annually making. But when the American has backbone enough to coin or buy all our own silver and put that 30 per cent.

profit into the pockets of our own people instead of the pockets of the Englishman, she would be compelled to remonetize silver. Over 60 per cent. of the British subjects are using silver to-day as the medium of exchange.

Mr. COMSTOCK. In East India?

Mr. HOLDEN. East India, Australia, and other countries.

Ostensibly England is a gold country, but practically she is a silver country. There can be no doubt about that. Statistics will show that over 60 per cent. of her people are using silver instead of gold, and outside a radius of 15 miles of the tower of London the people have to depend on the white metal.

Mr. BARTINE. Then you claim that England only uses the pound sterling in gold as a unit of account, but that the actual transactions are in silver?

Mr. HOLDEN. That is all. That is the basis upon which she calculates all of her transactions, whether with this country or her own countries, or any other countries.

MONEY AND WAGES.

Now, then, embodied in this second question is a separate question, asking how it affects the wages of the American laborer. That in my judgment can only require one answer.

There are two features of financial transactions that have an important bearing upon this question. Through the system of credit and the interchange of negotiable paper the manufacturing, railroad, banking, and other institutions find a ready and agreeable method of transacting their business, and a very satisfactory one, while to the working classes of the country there are no credits, the medium of exchange is insufficient, and the currency of the country is contracted, thereby reducing the volume of circulation per capita, which is felt by the laboring classes throughout the land, but does not affect the credit system before referred to in use by the different institutions named.

The capitalist, when asked to increase the wages of the laborer, replies that money is scarce, but says nothing to the laborer about the medium of exchange, which he and all large institutions enjoy, and in the benefits of which the laborer is not allowed to participate, and the laborer must of necessity accept the statement of his employer that money is scarce, and be satisfied with the wages he receives. By such argument and fact a smaller amount of money is paid for labor under a contracted system of currency than there would be if that volume were large and sufficient to meet the demands of the people.

Mr. COMSTOCK. How do wages in this country compare with wages in silver-standard countries?

Mr. HOLDEN. Our wages are better in this country.

Mr. WALKER. How much better?

Mr. HOLDEN. I fancy about 100 per cent.

Mr. COMSTOCK. I guess so.

Mr. WALKER. One hundred per cent?

Mr. HOLDEN. Yes, sir; a Mexican peon receives 75 cents a day for his labor, and in this country a laborer receives \$1.50.

Mr. WALKER. I was in Mexico in March, and was told by men in different parts of Mexico that the price of a Mexican peon on the farms was \$5 a month and a peck of corn a day.

Mr. WILLIAMS. What is the corn worth?

Mr. HOLDEN. I have had Mexicans in my employ, and I am speaking

from the experience of my pay roll ; I have had them in my employ for 3 years in the mines, around the depots, etc.

Mr. COMSTOCK. How is the free coinage of silver going to help the wages of the laborers of this country ?

Mr. WALKER. Where have you men employed in Mexico ?

Mr. HOLDEN. At Pachucha, and at Gunajata.

Mr. WALKER. Do you know what wages are paid in the cotton factories of Mexico ?

Mr. HOLDEN. No, sir ; I do not.

CREDIT SYSTEM FOR MIDDLE AND UPPER CLASSES.

We also claim as Western people that the credit system works only for the middle and the upper classes located in or about the money centers of the East.

Mr. COMSTOCK. Do you claim that yourself, or is that the talk among the boys ?

Mr. HOLDEN. It is the claim of the entire Western country. It is a matter which has been fully agitated and discussed in the press of the West.

Mr. BARTINE. You claim it yourself ?

Mr. HOLDEN. I claim it.

Mr. COMSTOCK. That is the point.

Mr. HOLDEN. I claim it ; I claim that the poorer classes of the United States do not participate in or derive any benefits from the credit system in vogue among the money centers of the East.

Mr. WALKER. You say it works in the interest of the middle and upper classes ?

Mr. HOLDEN. Yes, sir.

Mr. WALKER. Whom do you mean by the middle and upper classes ?

Mr. HOLDEN. By the middle class I mean the poorer manufacturers who have an opportunity to borrow money upon their mills and factories located in the various valleys. The upper class needs no explanation.

Mr. WALKER. I think you had better explain what you mean by "upper classes?"

Mr. HOLDEN. They are the bankers and the owners of railroads, and the people who have large volumes of bonds, and are generally rich ; the people who have credit and a certain standing with all financial institutions, and who thereby enjoy the privileges of this credit system of which I am speaking.

Mr. BARTINE. You mean the men who conduct business on a large scale ?

Mr. HOLDEN. Yes, sir.

Mr. BARTINE. I want to see whether I understood you in what you said concerning the poor people not getting any benefits from the credit system. Do you mean by that that the poor people, the day laborers for example, make no use of bank facilities, but simply handle money from one to another ?

Mr. HOLDEN. That is all.

Mr. WALKER. He said they got no benefit.

Mr. BARTINE. I am trying to find out whether he really means what he said on that point.

Mr. WALKER. Let him tell.

Mr. BARTINE. Do you or not recognize that if this credit system

results in general benefit to the country, the poor people, although they make no use of bank facilities, get some benefit therefrom?

Mr. HOLDEN. A very indirect benefit.

Mr. BARTINE. From the general good which is conferred upon the country?

Mr. HOLDEN. An indirect benefit; but the credit system is controlled and used by the people I have mentioned, and as small an amount of that as possible is given to the workmen. I do not know really in what channel he would receive any benefit.

Mr. WALKER. Suppose a man was running a manufactory where he had a hundred thousand dollars invested half of it borrowed. He is deriving a great deal of benefit from the credit system. It also enables him to conduct his larger operations, and would not that result in benefiting those who are in his employ?

Mr. HOLDEN. Yes, sir; to a certain extent, but not to the extent that a sufficient amount of currency would.

Mr. WALKER. You say the credit system is controlled by whom?

Mr. HOLDEN. I say that the credit system is enjoyed by the large institutions of the country.

Mr. WALKER. You said the credit system was controlled by somebody. By whom do you mean?

Mr. HOLDEN. By the people whom I mentioned. By the banks and financial institutions of the East.

The CHAIRMAN. The upper and middle classes.

Mr. HOLDEN. Yes, sir. When I speak of the upper classes I refer to the men who are dealing in large financial transactions. I do not mean as a matter of social condition at all.

Now, the third question reads as follows:

What effect would it have on the prices of products and wages in this country to go to silver monometalism at sixteen to one of gold, with silver and gold at their present commercial ratio?

Mr. WALKER. Let me see if I am correct. You said that the credit system was controlled by the poorer manufacturers.

Mr. HOLDEN. No, sir; I mean by the middle classes.

Mr. WALKER. Do you borrow any capital?

Mr. HOLDEN. Yes, sir.

Mr. WALKER. You would come under that head, then?

Mr. HOLDEN. I would come under the head of the credit system.

Mr. WALKER. With the poorer manufacturers who have to borrow capital?

Mr. HOLDEN. I would come under the head of the class known as the classes favored by the credit system.

Mr. WALKER. Do you think that is in the interest of the community in which you do business?

Mr. HOLDEN. It is particularly for my interest.

Mr. WALKER. Is it not for the interest of the community in which you do business? Is it not to the interest of that community to have you furnish employment for men living in it?

Mr. HOLDEN. I imagine it is to a certain extent.

Mr. WALKER. It is for their interest to be employed?

Mr. HOLDEN. Yes, sir.

Mr. WALKER. The credit system which is extended to you enables you to employ them, and it benefits them in that they are thereby employed by you?

Mr. HOLDEN. Only to a certain extent.

Mr. WALKER. To what extent?

Mr. HOLDEN. I do not believe—and others who enjoy the credit system share that belief—that the credit system is shared by the laboring classes. We hire and keep them in operation upon a money basis more than upon a credit system.

Mr. WALKER. What proportion of the business of the country is done by people who borrow money, and who have to largely use their credit in borrowing their capital?

Mr. HOLDEN. That I could not tell you. It is a very large proportion.

Mr. WALKER. What proportion?

Mr. HOLDEN. I do not know that I could answer that question.

Mr. WALKER. Do you know of anybody, however rich they may be, whether it be a corporation or individuals who does not borrow a great deal of money at some time during the year?

Mr. HOLDEN. I said a very large part.

Mr. WALKER. And that enables them to carry on their manufacturing or other operations continuously?

Mr. HOLDEN. It does.

Mr. WALKER. And is it not for the benefit of the people who work for them?

Mr. HOLDEN. Yes, sir.

Mr. WALKER. Do you think that the younger men, the more enterprising men, the men without capital who strike out and go into business and compete with the older men, derive benefit from the system, and do you not think it is for the interest of the community that it should be so, in order to cheapen the products which they produce?

Mr. HOLDEN. You are referring to the credit system?

Mr. WALKER. Yes, sir.

Mr. HOLDEN. Yes, sir; I do.

Mr. WALKER. Does it not benefit all classes alike?

Mr. HOLDEN. The question has drifted away.

Mr. WALKER. No, sir; it has not drifted away.

Mr. HOLDEN. From the answer that I made.

Mr. WALKER. Because the answer which you made was simply a dogmatic answer. I want to get at the items, the particulars which bring you to that conclusion. Is it not a fact that these enterprising young men who have to borrow money derive benefit from the credit system, and does not the fact of the young men entering into competition with the older people cheapen products? Is not that the fact?

Mr. HOLDEN. Yes, sir; but——

Mr. WALKER. That is all I want to get at. You can say anything you want when I am through with this question. Then this class of men, manufacturing in competition with the older men, open more avenues for labor, and make a chance for the workmen to have two bosses after them rather than one. That is to say, if four manufacturers are manufacturing and two young men go out and strike out into manufacturing business, the employes would have six men to look to for employment, rather than four.

Mr. HOLDEN. Yes, sir; that is true.

Mr. WALKER. Does not that have a tendency to increase wages?

Mr. HOLDEN. I do not think so.

Mr. WALKER. What increases wages?

Mr. HOLDEN. A large volume of money, a circulating medium which is sufficient to meet the demands and the necessities of the people.

Mr. WALKER. It is not the fact that when workmen have two or three bosses they can work for, that tends to increase wages?

Mr. HOLDEN. Yes, sir; the increased volume of money.

Mr. WALKER. I will leave it right there. I am satisfied with that.

DISASTER IN SILVER MONOMETALLISM.

Mr. HOLDEN. The third question reads as follows:

What effect would it have on the prices of products and wages in this country to go to silver monometallism at sixteen to one of gold, with silver and gold at their present commercial ratio?

In answer to your third question I desire to say that there would be no doubt that a great financial disaster would occur to the country in general if they could adopt silver only as a standard. Such a proceeding as that would be a voluntary act on the part of the United States Government to banish all the gold, and put us at the mercy of the gold-using countries, on the rates of exchange that we would have to pay for the goods that we purchase from them with our only metal, silver.

Mr. WALKER. What act do you refer to?

Mr. HOLDEN. The question refers to the country going to silver monometallism by some law which might be enacted by the United States.

Mr. WALKER. I want to get at what you mean by the word "act,"—a law?

Mr. HOLDEN. It means a law. We take it that this question refers to an enactment by the United States Congress.

Mr. WALKER. Of a law?

Mr. HOLDEN. Of a law for the purpose of making silver monometallism the standard of the United States. Now, we take it that—

Mr. WALKER. Whom do you mean by "we"?

Mr. BARTINE. What is the use of haggling over mere words?

Mr. HOLDEN. The people who are desiring to express their views, through me, for instance.

Mr. WALKER. What I wanted to get at right there was whether the views you are expressing here are the views generally held by your associates and friends wherever you may meet them, in Colorado, in the mines, etc.?

Mr. HOLDEN. Yes, sir.

Mr. WALKER. That is what I wanted to know.

Mr. HOLDEN. Now, then, in the event that foreign countries could put a price upon our silver, you can be sure that they would keep depressing that price from time to time, thereby lessening its purchasing power and increasing the price of all products both foreign and domestic, and in the proportion of the increase of price for all products the wages of the laboring classes would be consequently reduced owing to their inability to receive as much of the necessities of life as their same wages would have purchased previously.

SILVER QUESTION AN INTERNAL ONE.

In my judgment it is a practical impossibility for the United States Government to attempt silver monometallism, and for two reasons.

The first is owing to the resources of the country in gold, which will soon be nearly 50 millions a year from our own mines. The second is the good judgment of the producing and manufacturing classes.

How long do you suppose it would take our exporting merchants and farmers throughout the United States to discover, in accepting silver only for the products that they sell abroad, that they would be accepting a money of which the foreign countries had control of the price, and

each time they would attempt to market their product they would receive less. Their profits would be wasted, and I can assure you that such transactions would live but for a short while.

The question of silver coinage is an internal one. It is a demand for more money and better money as a medium of exchange between the people. Notwithstanding the credit system of the United States there would undoubtedly be a greater benefit to the working classes and producing classes of the West if there were a larger volume of money. That is why the great West and the great South are demanding silver as a money. It is absurd for any of the gold advocates to attempt before an intelligent body to represent this question as one of international importance.

Mr. WALKER. What do you say is absurd?

Mr. HOLDEN. I say that it is an absurdity for the gold advocates to represent this question as one of international importance.

The greatest proof of this assertion is in the long-established fact that this country's resources are greater than all Europe. That they are without adequate means to raise their wheat, their cotton, their corn, and their beef, and really and actually every necessity of life. That their population is increasing at a five-times-greater rate than our own. Their hills and their valleys are barren, as compared with ours, and you have evidence fully and thoroughly presented to you each year by the statistics of the balance of trade, which is nearly (including bullion) a hundred million in our favor, and it is growing from time to time.

We are in a position, as compared with other countries, to demand from them the payment for our goods in any character of money that may best suit our purposes, and it would be an impossibility for the United States Government to enact any legislation toward monometallism of silver, for the reason that the people of the country would demand payment for their products in gold.

The fourth question is as follows:

PARITY UNDER FREE COINAGE.

Would or would not the free coinage of silver in this country alone at its present commercial ratio to gold have the same economic effect as the immediate reduction of our gold coin by one-fifth in weight?

In answer to your fourth question let me say that the enactment of a free coinage bill would alter the present commercial ratio of that metal as compared with gold immediately, so that 16 ounces of silver would be worth \$20.67, as against 1 ounce of gold being worth \$20.67, and such being the case, there is no answer to that part of the question referring to gold coin being reduced by one-fifth in weight.

I might say to you right here (and I believe my predictions are based upon inevitable results), that no matter how much you hinder, interfere, legislate against, or juggle with this question of silver as a currency, you will be compelled as a nation, and the world will also be compelled, to give the people a currency sufficient in quantity, which gold does not furnish, and that metal will rise above all your legislation and assert itself in all the markets of the world.

GOLD IN SILVER ORES.

Mr. WALKER. I understood you to say, according to a dispatch received January 29, that—

Fifty per cent. of the gold produced in the United States is found in silver ores

I think that must have been a mistake.

Mr. HOLDEN. No, sir; that is not a mistake.

Mr. WALKER. That is the fact?

Mr. HOLDEN. Yes, sir.

Mr. WALKER. It is a fact, then, that from the mines of the country known as silver mines and not as gold mines, that where there is \$500 worth of silver taken out there is also \$1,000 worth of gold.

Mr. HOLDEN. No, sir; that is not what I telegraphed. If you will let me explain that telegram——

(Mr. BARTINE interrupting.)

Mr. WALKER. I think I am asking the gentleman a question——

Mr. HOLDEN. I would say that 50 per cent. of the gold produced in the United States is found associated with silver-bearing ores. In other words, if we had no silver mining at all, instead of producing \$32,000,000 last year we would only have produced one-half that amount.

Mr. WALKER. Sixteen million dollars. How many millions of silver were produced in the United States last year?

Mr. HOLDEN. That is a point about which I desire to be particularly understood. It has been reported that 64,000,000 ounces were produced in the United States last year. I know of no district in the western country which does not exaggerate its output. There is a feeling of jealous competition, and the reports are exaggerated for the purpose of encouraging immigration or encouraging people to locate there. Consequently an error occurs in each report for each mining district. A greater number of ounces is reported than was really and truly taken from the mines.

Mr. WALKER. Do not the reports show that there is less than 1 per cent. of gold found in what are known as the silver mines of the country?

Mr. HOLDEN. The reports may show——

Mr. WALKER. You may state what you choose about the facts, but do not the published reports show that less than 1 per cent. is found in what is known as the silver mines of the country?

Mr. HOLDEN. I can not say yes or no to that without answering the question in a broader sense. The proportion of gold varies from 1 to 2 or 3 per cent., and it is a very small proportion of the volume of silver. Silver predominates in silver bearing ore, but it does carry gold with it; and even though it be at the rate of 1 per cent., still my telegram, as you have read it, is not affected in the least, that 50 per cent. of the gold that you get in the commercial centers or for money purposes in the United States is obtained in taking out silver ore. I have in my mind a mine which produces 1,000 ounces to the ton. There are very few of them.

Mr. WALKER. What mine is that?

Mr. HOLDEN. A mine at Aspen.

Mr. WALKER. Who controls it?

Mr. HOLDEN. It is controlled by some miners in the city of Aspen.

Mr. WALKER. Is it controlled in St. Louis?

Mr. HOLDEN. No, sir; it is owned by miners. There is a small number of tons taken out. It is not a very abundant mine, but when it produces anything it is in that proportion. That ore contains about five one-hundredths of an ounce of gold, so small that you can not make a statement, but it nevertheless produces its proportion of gold to make up the total amount of 50 per cent. of gold produced in the United States as taken from silver ores.

Mr. WALKER. I have a statement here which shows that California produced, in 1887, 237,737 ounces of gold, and 17,654,386 ounces of sil-

ver produced, from silver ores, only 30,107 gold, or $99\frac{4}{5}$ per cent. silver, and only one-fifth of 1 per cent. gold; a difference of $49\frac{4}{5}$ per cent. from your statement. Let me ask you again about this, as you are familiar with it, and I am a little stupid and do not understand it. Taking the silver mines, the mines which are known as silver mines, in this country, that is to say, mines which are worked because they are silver mines, not because they are gold mines, including all those mines, the result that is published as official is that about 1 per cent. is gold. Is that true or not?

Mr. HOLDEN. I have not made any compilation. I fancy it is true.

Mr. COMSTOCK. Here is a gentleman [indicating] who has a mine in Arizona where 47 per cent. of the output is gold.

Mr. WALKER. I am not talking about a particular mine. Now, taking the whole of that, the silver mines, the mines which are worked because they produce silver, is it not a fact that only 1 per cent. of gold is obtained?

Mr. HOLDEN. In California?

Mr. WALKER. All over the country.

Mr. HOLDEN. I say I have not made any compilation.

Mr. BARTINE. In value or quantity?

Mr. WALKER. In quantity.

Mr. HOLDEN. I understand that the 1 per cent. is in quantity, but as to that I will say that I do not know of any statistics that have been gathered in the United States, or which could be gathered, or compiled—and I am very familiar with the subject of the compilation of statistics as to gold and silver—from which a calculation of that kind could be produced, because there are complications and other reasons. I do not think the gold contained in the silver ores could be computed into percentages.

Mr. BARTINE. Let me make a suggestion, or ask a question. You are aware of the fact, I presume, that the Comstock lode is one of the greatest silver-bearing lodes which has ever been discovered?

Mr. HOLDEN. Yes, sir.

Mr. BARTINE. You are aware of the fact that there are forty or fifty mines on that lode?

Mr. HOLDEN. Yes, sir.

Mr. BARTINE. Are you further aware of the fact that since its discovery it has produced in value between 40 and 50 per cent. in gold?

Mr. HOLDEN. I do not know that I can say that I am aware of that fact. I know it is a large amount.

Mr. BARTINE. It is a high percentage of gold. As a matter of fact, last year it was a little over 50 per cent.

Mr. HOLDEN. I have heard it estimated at 35 per cent. I have always held that those mines could be worked independently of the silver.

Mr. BARTINE. I doubt that.

Mr. HOLDEN. I have always been led to so believe, from what I know of mining in the West.

Mr. NEWLANDS. They could not be worked at all without silver.

Mr. WALKER. The report of the Director of the Mint upon the Production of the Precious Metals in 1887, pages 109, 110, 111, and 112, gives a most valuable compendium of the relative production of gold and silver. I will read it:

[In Troy ounces.]

	Gold.	Silver.
Arizona (p. 111)	726	1, 119, 562
Colorado (p. 109)	1, 899	465, 646
Colorado (p. 110)	3, 830	1, 004, 967
Do.....	5, 200	2, 950, 028
Montana (p. 112)	16, 593	8, 072, 993
Utah (p. 111)	1, 859	3, 804, 453
Total.....	30, 107	17, 417, 649

Now these reports are sent to the Director of the Mint. Is there any inducement for these men—if they were going to exaggerate at all—why they should magnify the gold output rather than the silver output, or the silver output rather than the gold output? Have you any reason to believe that these reports are not just as likely to be mistaken on one side as the other?

Mr. HOLDEN. I believe the reports are correct, but I also believe that the reports are not made according to the answer which I made in my telegram. The people of Arizona who compile these statistics and the people of Utah and Colorado simply say that this State produces so many ounces of gold and so many ounces of silver, and the Director of the Mint finds the proportion of silver to that of gold; but the statistics do not describe whether a portion of that gold came out of ore that contained silver or whether it was found in an alluvial deposit.

Mr. WALKER. If that is the fact then the result would be less, according to your statement. The Director of the Mint, according to your statement, has included all the gold that was produced in these places, whether it was produced in silver mining or not. So that, according to your own statement, the proportion is actually less rather than more. I understood you to say that the Director of the Mint included in the gold that he reported from those States all the gold which was gotten from alluvial deposits. Now, if he did, and it did not come out of silver mines, and the percentage is 1 per cent., or a little more, then it follows that it is a little less than 1 per cent.

The CHAIRMAN. You are talking about 1 per cent. of gold as to silver. Mr. Holden is talking about silver by itself, not with reference to its percentage as compared with gold.

Mr. HOLDEN. I claim that 50 per cent. of the gold that enters into the commerce of the United States is produced in mining silver ores.

At 3 o'clock and 45 minutes p. m. the committee adjourned until Monday, February 16, 1891, at 12 o'clock meridian.

COMMITTEE ROOM ON COINAGE,
WEIGHTS, AND MEASURES,
Monday, February 16, 1891.

The Committee on Coinage, Weights, and Measures met this day at 12 m., pursuant to adjournment, Hon. Charles P. Wickham in the chair.

The CHAIRMAN. The Hon. John J. Knox, former Comptroller of the Currency is present with us and I have asked him to say a few words to the committee before we enter upon the hearing. He has some statement which he desires to make.

SEATEMENT OF HON. JOHN J. KNOX.

ORIGIN OF COINAGE ACT OF 1873.

Mr. KNOX. Mr. Chairman and gentlemen of the committee, I wish to beg your pardon for occupying one moment of your time here this morning when a committee is here present from the city of New York, where I reside. I was myself without my knowledge elected one of the vice presidents at the meeting which took place in New York, the result of which is the sending of this present committee here. I should have been present at that meeting except for the fact that I received very unwelcome tidings at that time which brought me on Friday to the city of Washington.

While here a pamphlet was handed me, the title of which is, "Silver in the Fifty-first Congress, preceded by a summary of the coinage laws of the United States prior to 1873 and the history of the act of 1873 and of the act of 1878." This pamphlet is issued by the National Executive Silver Committee, composed of Hon. Edwards Pierrepont, of New York, and other gentlemen. To this pamphlet, which I have been informed, has a very wide circulation, may be attributed many of the erroneous statements which have been made in the present Congress and elsewhere with reference to the preparation and consideration, and the final passage of the coinage act of 1873. These misstatements can be fully answered by reference to the reports of the Secretary of the Treasury for 1861, 1870, 1871, 1872, 1876, 1885, and 1889, and other official documents.

I myself had more to do than any other person with the preparation of that coinage act of 1873 before it was discussed in Congress. I believe I am the only person living that can give all of the facts or nearly all of the facts with reference to the preparation of this act. I spent many days, I spent many evenings in the preparation of this bill, because I had then charge of the mint and coinage correspondence of the United States. The Secretary of the Treasury in his report for 1870 had recommended a codification of the laws. I had no expectation, I knew nothing of the recommendation of the Secretary and had no expectation of having anything to do with that codification. In fact the work was begun by the Hon. William A. Richardson, who was then Assistant Secretary of the Treasury and subsequently the Secretary of the Treasury, and subsequently he handed the work over to me. I prepared the bill with the assistance of all the other gentlemen whose acquaintance I had made throughout this whole country from San Francisco to Washington with whom I had come in contact and who, I supposed, knew or were very intelligent upon the subject connected with the bill.

Mr. WALKER. Mr. Chairman, I move that Mr. Knox be heard at as

early a day as can be assigned to him and that we now hear the New York delegation.

Mr. KNOX. I have only this further word to say. I sent in the bill subsequently with the report which is in print, and also subsequently a report with the correspondence of these different gentlemen which is also in print, and I would like at any time which may be most convenient for the committee to be heard upon the subject, or any other subject that pertains to this business. I merely want to make an appointment, that is all.

The CHAIRMAN. If there is no objection the motion of Mr. Walker will be declared passed. Now, the committee is ready to hear the gentlemen from New York, and they may select the order in which they will present their addresses.

STATEMENT OF MR. G. WALDO SMITH.

Mr. SMITH. Mr. Chairman and gentlemen of the committee, the chairman of the committee appointed by the meeting held recently in New York has deferred to the New York Board of Trade and Transportation, and we presume that we shall take but little time. They have with them several gentlemen who have made a lifelong study of the question, and I have nothing more than a word or two to say.

I will state, Mr. Chairman and gentlemen, first whom we represent. We represent the New York Board of Trade and Transportation, a body of merchants associated together for the purpose of watching legislation, municipal, state, and national. We are not associated together for trade purposes, unlike most other bodies in the United States, but, like the Chamber of Commerce of New York, we are simply associated for the purpose of watching and helping along good legislation and trying to prevent the passage of laws that will injure and affect the commercial interests of our great city. We have about a thousand firms connected with our body, representing between two and three thousand individuals. I think there are no bankers represented in our entire body. We are, entirely, either merchants or manufacturers, and in that respect we stand alone——

Mr. TAYLOR. Not political?

Mr. SMITH. Not political in any sense.

Mr. TAYLOR. All classes of politics?

Mr. SMITH. Every grade. I am no politician myself and do not belong to either party.

Mr. BARTINE. You are a mugwump, I suppose?

Mr. SMITH. No, sir; I am not even that. I am simply here as a merchant, and my friends are here as merchants solely, and I do not know what party they belong to and I never heard them say. It would be idle to enter into any argument of this matter even if I could do so. I have given the question a great deal of thought and study and have been doing so for 6 or 8 years, but I repeat the fact that there are abler men here for that purpose.

It is no new question for the Board of Trade and Transportation. Five or 6 years ago Mr. Pembroke and myself, representing widely different sections of the country, met on the platform at Atlanta discussing this question with very able and thoughtful men. The Board of Trade thought it was a great speech, and covered the ground, and felt that it should be disseminated about, and they published the speech and sent it broadcast over this land. I think they published, perhaps it might be exaggerating, but I think they published a million copies

and sent that scattered over the whole United States from one end to the other, coupled with some legislation at that time.

So you will see it is no new matter that they have taken up, nor has it been done hastily. It is a matter that has been thoroughly and carefully and thoughtfully considered in a great many meetings, and has been discussed in the various board of trade meetings for the last 5 or 6 years, and I think, as far as merchants can be expected to know the merits of the case, the New York Board of Trade and Transportation can be said to be familiar with this matter. I will only say, sir, that they feel that any legislation at present would be dangerous and unfortunate and unwise. As I said before, I am not entering into any argument whatever, as I think that would be unwise and unnecessary and take up your time, so I will simply present this memorial from the New York Board of Trade and Transportation.

Protest of New York Board of Trade and Transportation.

NEW YORK, February 11, 1891.

At the regular monthly meeting of the New York Board of Trade and Transportation held this day the following preamble and resolutions were adopted:

Whereas this board believes that neither gold nor silver is sufficient in quantity to serve as a sole basis of currency, but that the requirements of business need the use of both metals, and that there are indications that the commercial nations of Europe will at no distant day be ready to unite in the remonetization of silver, thus establishing the use of both metals as the currency of the world, provided such action is not hindered by a premature movement on the part of the United States; and

Whereas it also believes that under existing conditions the free coinage of silver will inevitably demonetize gold and bring the business of the country to the basis of silver as a single standard; and

Whereas the withdrawal of gold from use as currency can not fail to produce such stringency in the money market as must result in panic and financial distress: Therefore, be it

Resolved, That the New York Board of Trade and Transportation most earnestly protests against any legislation looking to the free coinage of silver until the coöperation of other commercial nations can be secured, and at a fixed ratio to be agreed upon.

Resolved, That a committee of fifteen be appointed to present and urge this protest before the Coinage Committee of the House of Representatives.

(A true copy.)

[SEAL]

AMBROSE SNOW,
President.
DARWIN R. JAMES,
Secretary.

In addition to this, sir, I will say I am also president of the New York Wholesale Grocers Association, which, as a distributive body, takes in the State of New York, the State of Connecticut, the State of Vermont, the State of New Jersey, and a large portion of Massachusetts and Rhode Island, and I want to say that I simply state the sentiment which prevails in the minds of all these merchants, representing vast millions of capital, that they are utterly and entirely opposed to any legislation on this question at present.

We have with us (who perhaps may wish to say a few words) Mr. William McCarroll, Mr. Silas M. Giddings, Mr. J. F. Nugent, and Mr. Albert Plaut. We have a large committee, but as we understood it the meeting was to have taken place to-morrow and it was very difficult to get our people together. We have these gentlemen here if you wish to hear them say a word or two.

STATEMENT OF ALBERT PLAUT.

Mr. PLAUT. I fully concur with Mr. Smith's statement that there are eminent men here who are far abler than we are, far better prepared to

present an argument to this committee, and in view of that I will ask permission to simply hand in a little document which I have prepared which treats of a phase of this question which I have not seen in print and which has come under my personal observation, and I desire to ask leave to hand it in in order to have it printed, and thus save time.

CREDIT AS CURRENCY.

I have no doubt that almost anything and everything that can be said on both sides of the question of free coinage has been listened to by the committee, and that very little additional information can be given the committee which would really be new.

Still, in reading in the newspapers the proceedings of the committee I find that one matter has not been touched upon which I think has quite an important bearing upon the free coinage question, and which I am able to speak of from personal experience.

The per capita ratio of money circulating in the various civilized countries has often been spoken of, and I think in a manner that is very apt to mislead. The United States require much less circulating medium than any other country in the world, for the reason that we have banks of deposit, on which checks can be drawn, in almost every town of the Union of a population of 10,000 or over, and in many even smaller, whereas in European countries incorporated banks exist only in the money centers; such a thing as a check is a rarity.

In our country, I venture to say that 90 per cent. of the total amount of payments made by individuals to one another is done by means of checks drawn on banks, and the currency, whether in the shape of coin or notes, is not removed once where in Europe it will pass through 10 different hands. In Germany, for instance, until quite recently, there were no incorporated banks outside of a few financial centers, and the retailer and small jobber in paying for his purchases to the manufacturer or to the importer had to do so in currency.

I know that in my own line of business—the drug business—where it is the custom in Germany to pay the preceding six months' purchases on January 1 and July 1, the druggist and pharmacist puts aside all the bank notes which he receives in the course of business, and hoards them to meet his bills with when due.

In this country he deposits his daily receipts in his bank and the money is not withdrawn from circulation the way it is in Germany. The same state of affairs exists in France, in England, and in Austria. In our country it goes back to the banks *at once*, and is used in trade and commerce, instead of being put away.

Of late the "German Bank," the bank of the German Government, has opened branches in some of the larger towns, but still the old state of affairs predominates to a great extent, and checks are almost unknown.

My partner was in Europe last year, and it was looked upon as a curiosity when he would pay a hotel bill down to a pfennig with a check drawn on the German Bank, or when he went to a business friend to get money, and, instead of presenting a letter of credit, he simply took out a small check book and gave a check.

How different it is in this country.

To speak again of my own firm, we do a business of about one million and a half a year, and we barely receive enough currency to pay wages with; all the rest of our dues we receive in the shape of checks,

and the money is not out of circulation for more than a few hours at a time.

In England and all continental countries people who live on their incomes, clerks, employés generally, in fact everybody except large merchants and bankers pay with currency, and you can readily see that a much larger amount of the circulating medium is necessary there than is necessary here.

I honestly believe that with the enormous amount of business and trading done in this country, that if we did not have our system of payments by check all the gold and silver in the world would be insufficient to meet the demands of trade. This applies only, however, to times when everything is in its normal condition. In times of panic and distrust, when cautious people, those easily frightened, withdraw their means from circulation, no amount of currency, no matter what its nature may be, no matter how large it may be in the aggregate, will be sufficient for the needs of commerce, and no legislation that Congress may enact will remedy this state of affairs.

I therefore hold that in normal times we need less money, less circulating medium, per capita than European nations.

There is one other matter to which I would like to call the attention of the committee, and that is, that the absolute equality of gold and silver will not be an unmitigated blessing to our people, even though silver should rise to a parity with gold in the natural course of events without legislation and without artificial enhancement of its value.

In the same manner in which a great majority of the advocates of a protective tariff begin their arguments, with the remark: "In theory we are all free-traders, in theory free trade is the ideal of commerce," the most rabid monometalist or gold bug is apt to say that when the day arrives when silver naturally is on a parity with gold, they will all become bimetralists.

Yet I hold that, as far as this country is concerned there is one important drawback which leaves some doubt as to whether the arrival of that day is to be so ardently wished for. Our imports from British East India, from China and Japan, from the whole of the West Indies, Central and South America, are all paid for in silver now, and when silver becomes as valuable as gold, we will have to pay so much more for these products.

For instance: When silver sold here at 120 or thereabouts, quinine which had been selling at about 23 cents per ounce, advanced to 28 cents, caused by the increased cost of the bark. All Chinese, Japanese, and South American products advanced in the same ratio, about 20 per cent., and have since just as rapidly declined as silver has.

If we further consider that all the products of these countries which we import are crude natural products, and not manufactured articles, and that we must have them, no matter what the cost, it can be seen at a glance that we will pay these countries just as much more for their goods as the present difference between the price of silver and gold. This is not an important matter in itself, but I deem it expedient to call the attention of the committee to it.

STATEMENT OF MR. SILAS M. GIDDINGS.

MR. GIDDINGS. Mr. Chairman and gentlemen of the committee, as so much of your time has been occupied I will occupy only a minute, and say I heartily indorse everything that has been said by our chairman.

The Board of Trade in New York is next in importance to the Chamber of Commerce, and it has been stated there playfully that, while the Chamber is the Senate, the Board of Trade is the House of Representatives, and this is a representative body which comes before you. The committee represents largely in excess by many hundreds than the Chamber of Commerce. I come simply to heartily indorse all that has been said by our chairman, Mr. Smith. I want to drop one idea to show that straws tell which way the wind blows. I have recently seen in the public press that mortgages are now being drawn where the stipulation is made that the payment—principal and interest—must be made in gold, showing that some are already frightened at the prospect of free coinage, and we strongly and earnestly hope that action may be deferred.

STATEMENT OF MR. J. S. NUGENT.

Mr. NUGENT. Mr. Chairman and gentlemen of the committee, I have nothing to add to the words that have already been spoken, except to simply say that I heartily indorse all that has been said, and I think the great speech which the New York Board of Trade and Transportation were favored in listening to from the late Secretary Windom, and the reception that his speech had in that body at that time is sufficient in warranting us in saying that the board is unanimous in desiring that no legislation shall take place upon this bill at this time. That is all I have to say.

Mr. SMITH. We have with us also Mr. William McCarroll.

STATEMENT OF MR. WILLIAM M'CARROLL.

Mr. MCCARROLL. Mr. Chairman and gentlemen, I am also one of the committee representing the New York Board of Trade and Transportation, and in that board represent an interest or industry that has become one of the foremost in our land, the manufacture of leather, an industry which within the last 3 years in our particular branch has reduced the importation of one article by 60 per cent., an article usually known as French kid. So that as a member of the Board of Trade and Transportation representing that interest, and knowing well as I do the sentiments of my associates in business, I can say that this resolution of our board is indorsed by everyone, and I have nothing to add to the resolution except to give the weight of emphasis that may come from the individual branch and members which I have the honor to represent also before you.

Mr. SMITH. That is all that our committee desire to submit, and we are very much obliged for your kindness and attention in listening to us, and we will now give way to the other committee.

STATEMENT OF MR. E. ELLERY ANDERSON, PRESIDENT OF REFORM CLUB, NEW YORK CITY.

PROTEST OF NEW YORK BUSINESS MEN.

Mr. ANDERSON. Mr. Chairman and gentlemen of the committee, sometime since, a meeting was called in New York, prompted in no measure by the interests that have been designated as selfish ones, that

are supposed to be opposed to the passage of the measure which is now under consideration, but called solely by men who believe that this measure, if passed, would be disastrous beyond description to all business interests of this community; more disastrous than a plague; more disastrous than a cyclone; more disastrous than a devastating army, not because it would simply injure one person here and one person there, but because for a time at least every form and kind of industry would feel the devastating influences of a debasement of the currency and of losing the greatest attribute that currency should have—its stability of value. That meeting was held at Cooper Union, a central point in the city of New York, and it was attended by an unrivaled representation of the real and true business interests, not simply of New York City, but of the United States of America.

It is easy to get up a meeting in New York if the question is one that involves the personal interest of individuals. We can pack Cooper Union five times over if the question be one of a quarrel between Fatty Walsh and Pat. Divver, and in every instance that involves the personal desires, wishes, and preferences of individual politicians in the city; but to obtain a meeting which crowds the hall of that character when the subject to be presented and discussed is one presenting an abstract question and to be discussed before the injury has been actually felt, is not so easy a task.

The meeting was absolutely a success. I could not undertake to give any figures of the great number of interests, of persons actually to be affected through the influences of the different businesses there represented; but as a single example, I will say that the savings banks which were well represented there contained on their books the names in the State of New York, I am told, of 1,250,000 depositors, and when you extend the interest from those represented by savings banks to those represented by all other forms of business, thousands of businesses employing men and women, employing clerks at salaries, of the labor employed in railroad transportation, and the endless pay rolls represented by all such forms of industry as I now refer to, you can well imagine that I speak within bounds when I say that the 2,000 persons who gathered in that institute to discuss this question represented a very large proportion of the laboring element in the United States of America, in all parts of the South and West as well as of the North and East. Resolutions were passed by that meeting which you doubtless have read, and a copy of which I shall simply hand to the reporter, stating the object of the composition of this committee and why we are here present.

Resolved, That the first requirement of a sound metallic currency is that its value shall be permanently stable.

Resolved, That the equality of value between 412½ grains of standard silver and 25.8 grains of standard gold, asserted in the bill for free coinage of silver, is untrue, in fact, is contradicted by the record of the market price of silver bullion for many years, and can not be sustained against the financial policy of all civilized nations.

Resolved, That the free coinage of silver, on the basis of equality of value at the ratio stated, in our judgment, will cause a premium on gold and its immediate banishment from circulation, and will debase the value of our dollar to the bullion value of the silver it contains.

Resolved, That the proposed debasement of our currency is dishonest. It will impair private and public credit; it will confuse and hamper our commercial relations with gold-paying countries; it will curtail legitimate business; it will violate the obligations of existing contracts, and disastrously affect many industries; it will fall with peculiar severity on the depositors in savings banks and trust companies and those holding life insurance and mutual benefit policies; it will lessen the purchasing power of the money in which are paid the earnings of laborers and of the salaried classes. It will benefit no one except temporarily the owners of silver or of

silver mines who may secure an enhanced price for their product and properties, and the holders of gold or of gold values at financial centers who would be enabled to discharge their obligations in the debased currency and retain the advantage of the premium on gold.

Resolved, That we shall oppose with all the means at our command the pending bill or any movement which favors the free coinage of silver by the United States without the coöperation of other nations.

The committee as appointed consists of Mr. Charles S. Fairchild, ex-Secretary of the Treasury; Mr. William Steinway, the noted piano manufacturer, Mr. Hugh R. Garden, of Virginia; Mr. J. Edward Simmons, Mr. Henry Heutz, a member of a firm representing very large business relations throughout the South; Mr. John P. Townsend, representing the insurance and savings bank interests; Mr. Isidore Strauss, representing an immense business of both domestic and imported goods, and which transacts business throughout every State and Territory in the Union; Mr. William E. Dodge, well known to every one of you; Mr. Charles J. Canda, and Mr. Ex. Norton, formerly president of the Louisville and Nashville Railroad. Some of these gentlemen were unable to come, but a number of them are present and will present, in a few brief words, thier views.

EFFECT OF FREE COINAGE ON PRICE OF SILVER AND CIRCULATION OF GOLD.

I take it, sir, that, in the discussion of this question, there may be some difference of opinion as to the immediate effect of this act on the market price of silver bullion, after it has passed. I presume I am to assume, (though the assumption gives my reasoning faculties so great a shock that it is with difficulty I can realize it) that there are gentlemen who believe that immediately after the passage of this act 412½ grains of silver will bring in the market as bullion 25.8 grains of gold, and I desire to say from the very start that if that prediction is true, if that does come to pass, and that change remains permanently, much criticism that is now made against this bill would be at least unrealized, and many events that are predicted would not come to pass. How that conclusion can be reached, how any intelligent man can justify himself in saying that he knows that this change will occur, I can not understand.

The effect of the bill, if he is mistaken, involves the welfare of countless millions of persons and the happiness of all the people of this country. Endless disasters to commerce and misfortunes to individuals will come to pass if this assumption is not true. If, after the passage of this bill bullion sells in the market so that 412½ grains of standard silver continue to bring about 20 grains of gold, the conclusions which have been foretold must be realized.

Mr. WALKER. You mean the markets of the world?

Mr. ANDERSON. I mean the markets of New York and of London. I mean where it is bought and sold for its value.

Mr. BARTINE. The prices are substantially the same in both places.

Mr. ANDERSON. They must be the same in the same way that water must find its own level. If the price is higher in New York than it is in England, it is sent to New York for sale and immediately the equality of price is reëstablished. Now, I say, if this be true, that the first and immediate consequence, and the necessary consequence, and a consequence that nobody can dispute, no matter what grounds he takes on this subject, is that gold could not come to the Treasury of the

United States to be coined. A man holding 25.8 grains of gold on the assumption that the price remains the same, who can obtain 480 grains of silver for a dollar at the present price will say, "Why shall I take any gold to the mint and obtain the mint certificate representing 412½ grains, why not buy 480 grains and out of the 480 grains take 412½ grains to the mint and obtain the coin certificate, retaining in my pocket as my own profit the difference between the two sums?" That is too clear for argument and it therefore must be admitted. It must be admitted that if the bullion price of silver remains below the ratio established by law between silver and gold after the passage of this act, no more gold can come to your mint for coinage; it will remain in the pockets of its owners. In other words, gold is banished from circulation the moment the price you can get for it in the market is such that the holder can get a better price in the market than he can at the mint.

Mr. BARTINE. Will it disturb you if I ask you a question in that connection?

Mr. ANDERSON. Not at all.

Mr. BARTINE. You spoke of the object which a person having gold would have in exchanging it for silver before having it coined. You say he would not take his gold to the mint because he could go into the market and buy 480 grains of silver and have 412½ grains of that coined into a dollar, and have the difference as a profit?

Mr. ANDERSON. Yes, sir.

Mr. BARTINE. Suppose any such plan as that should be generally resorted to, do you think the increased demand for silver would have any effect upon the price of silver?

Mr. ANDERSON. I am at present arguing on the assumption that the price of bullion is at a ratio——

Mr. BARTINE. But you seem to forget this, if you increase the demand for it, would not that have an effect upon the price?

Mr. ANDERSON. An increased demand for silver will certainly advance the price, but such advance as you refer to would not be of great length, it would tend, as all evils tend, to correct itself.

Mr. BARTINE. You could not tell how much it would rise?

COST OF PRODUCING GOLD AND SILVER.

Mr. ANDERSON. Not how much, but you can tell one thing; it would not rise to a parity with gold unless the entire conditions of this world were changed, that is, until all the nations come in and agree to it, and until the story that comes to us from 400 centuries back and verified by commercial laws that have proved themselves true during that time, and verified by the continued decrease of the cost of production during all these years until the just inferences from these proofs are refuted, the natural difference between 412½ grains of silver and 25.8 grains of gold forms a chasm that could never be crossed by the bill that you propose to pass.

Mr. BARTINE. Do I understand you to say that the difference in bullion value now between gold and silver is owing to the labor cost of production at the mines?

Mr. ANDERSON. That is one of the elements; that is not the only cause.

Mr. BARTINE. You think that has something to do with it?

Mr. ANDERSON. I do; not the cost for a single month nor for a single year, but it is a dynamic force which keeps repeating itself year after year and for centuries, and when we find that silver is produced by cheaper processes, and in greater quantities, and that the volume of production increases year by year, we are safe in assuming—though we may not be able to fix the average cost of silver per ounce, as Mr. Kimball does, at 55 cents without counting in the cost of plant, or even at 60 cents an ounce—we are safe in assuming that it is a paying enterprise, or else you would not see capital coming forward to invest in it.

Mr. BARTINE. You are aware of the fact that Mr. Kimball in giving those figures distinctly said in his report that it deals with remunerative mines only?

Mr. ANDERSON. I am aware that he gives the mines and the circumstances on which he bases his conclusion—that the number of mines is one hundred and twenty, I believe, in one Territory, and a lesser number in others, and that he draws his conclusions from an examination of all these plants. I am also aware of the fact that he does not include in that the actual cost of the plant, and I am also aware of the fact that we are simply comparing the productive cost of the production of silver with the productive cost of the production of gold. In answer to your criticism I say that these same circumstances that you have referred to in regard to unfortunate enterprises, or enterprises where money is lost, and omission of the cost of the plant, that these same circumstances apply to the gold-producing industry as well as to the silver, and therefore I say we are safe in concluding that the ratio which the market shows to exist between these two products is a fair test of their value.

Mr. BARTINE. Do you actually think there is as much money wasted in fruitless search for gold as for fruitless search for silver?

Mr. ANDERSON. I do.

Mr. BARTINE. Did you ever live in a mining country?

Mr. ANDERSON. I have not lived in a mining country, but I have been in them and I have given considerable time to the examination of enterprises of this character.

Mr. BARTINE. I do not want to ask you upon any points that will interrupt you in your argument, but I want to ask one question here. Did you ever in your life hear of a gold mine, or a mine supposed to be a gold mine, being sunk 2,000 feet at an expense of \$4,000,000 without a single dollar of gold being found to pay?

Mr. ANDERSON. I do not know the number of feet, but I have known a great many gold mines being sunk a great many feet and that all the interested parties have gone into bankruptcy immediately afterwards, and I think we all have heard of those cases. I think there are a great many holes in the ground from which men have derived no profit whatever, but which on the contrary have proved to be a loss.

THE PERMANENT ADVANCE OF SILVER UNDER FREE COINAGE.

The main point I am advancing here is, that it must be conceded if the bullion price of silver remains at about its first level after the passage of the act as now that the United States Treasury would be barren of gold, that gold would not come here. In the same way when the coin certificate has any greater advantage over bullion silver whatever by reasons of its legal tender qualities or by reason of its being received for customs or by reason of convenience as compared with bars of silver,

so long as there is any advantage at all, the silver is bound to come, because if a man holding $412\frac{1}{2}$ grains of silver can in the market obtain only 20 grains of gold and if the coin certificate he can obtain in Washington is worth anything more than 20 grains of gold he will go there and get it. In other words there will be a powerful set of silver in the direction of Washington as soon as the bill is passed.

Now I do not say that the silver will come. If a premium on gold is established and the coin certificates immediately fall, which in my judgment would be the result, there will be no inducement for silver to come. The holder of silver bullion would in that case only get its equivalent in silver. The coin certificates would be worth no more than the silver dollar except the limited advantage of being available for paying existing debts. These after awhile will be liquidated and all obligations after the passage of the act would be contracted and paid on the silver basis. By reason of the legal tender quality coin certificates would have some advantage over silver bars. But this advantage would soon disappear. The legal tender quality would act as a sort of break to retard its fall. Undoubtedly there would be a retention of some value in coin certificates above the bullion value by reason of their being available for the payment of debts. But as soon as existing debts are adjusted that element of value would vanish. So there would be a strong tendency for silver for awhile to go higher, but it would cease as soon as the coin certificates fell to the bullion value of the silver represented by the certificate.

PERILS OF FREE COINAGE.

Now, there is but one answer to this argument, and that was suggested by the gentleman who asked the last question. If we are all mistaken about the real relative value of silver and gold; if we have labored under a hallucination and a dream about this question of the value of silver, and if the effect of this act would be to restore silver to the position to which it is believed to be entitled by those who advocate it; if a dollar in silver is really equal to a dollar in gold; if it is received and recognized throughout the whole world as its equal in values, as equal in dignity and in use, then these predictions perhaps would not be realized.

Now, what have you on which to base such a prediction? As legislators, as trustees of the people of the United States of America, as charged with their welfare, as carrying in your hands what is going to bring happiness or misery to countless families, what right have you to make this experiment? You believe or think that bullion will rise, but must concede that if you are mistaken the disastrous consequences that I have alluded to must necessarily follow; how then can you as trustees of the happiness of the people afford to make this experiment? In treating one of your children for disease, would you for a moment think of using a medicine that you have some theory might do good if it was pointed out to you that there was an element of poison in the medicine and that if administered it might kill, would you not hesitate; would you not say, as long as this child is in fairly good health I am not going to make any such experiment as that?

Now you are going to put into the system of the United States a medicine which, if you are mistaken in your theory, is going to spread disaster all over this land. Is the United States so wretched and miserable, can you point out the disturbances in parts of this country which are so threatening as to really necessitate your proposed action? Are we on the verge of bankruptcy here? Or is it true on the other hand

that this country is the richest and wealthiest and happiest land of all lands on earth? That being so what justification can you find for trying an experiment fraught with possible disaster? Why not at least wait until you have the coöperation of other nations? We all recognize that silver is a useful product; that it is of great value, we all believe; there is no one who is more ardently desirous of having all classes of our people prosper than we of New York are. The welfare of the State of Kansas, of the State of Texas, and of every State and Territory in the West is the welfare of New York; they are all bound in together.

Now, when we come here and protest against this bill, let me repeat in conclusion, that it is not because we represent or assume to represent any individual or selfish preference or desire of New York. It is simply because we believe with all our power and strength that the whole welfare of this whole country is involved in the measure which you have before you. It is because we believe and know that the people who are going to reap the advantage of this act are rich and selfish men. It is they who will, as stated by one of the gentlemen a few moments ago, make their mortgages payable both principal and interest in gold; it is they and the corporations of which they are members who will pay off their pay-roll, will pay off their employés, pay off their salaried clerks, pay off the farmers in the west, pay off everybody they can with a legal tender note representing 80 cents in the dollar.

NO RESEMBLANCE BETWEEN ACT OF 1878 AND SENATE BILL.

Now, something is frequently said about the predictions made in 1878 which were not realized; that in 1878 a great many men went around croaking like ravens and flapping their wings and predicting endless disasters, and that these predictions have not been verified. Gentlemen of the committee, the conditions are not the same and the bills do not resemble each other in the slightest degree. The act of 1878 and the act of 1890 merely provide that the United States Treasury shall purchase a certain amount of silver. There is no special attraction of silver to the Mint because the seller of silver simply gets the market price; I mean there is no bonus offered over the bullion value of silver. There is nothing to keep gold away because the owner who sends it to the Mint to be coined gets as much for it as he can get on the market. The seigniorage goes to the United States. The present bill is different from that. It proposes to establish an equality of value between two quantities which are entirely different, and it proposes to coin silver bullion into silver dollars equal to gold dollars. It does not propose to purchase at all. Hence no prediction made as to one bill can be applied to the other, and no comparison can be made between the bills. It is just as if you had reasonstrated with a man for drinking one glass of whisky and then because that did not make him drunk it is claimed that you have no right to tell him he will get drunk if he drinks all there is in the bottle.

The United States may say, we took two million drinks a month under one act and we did not get drunk, and then we took four million and it did not make us drunk; so now we are going to drink all the whisky in the world. The whole question of the effect of these two acts is absolutely and entirely dissimilar. The real question before us is, how much silver we can carry. The words subsidiary coin have been used,

but they do not exactly express all purposes for which I understand silver can be used as an auxiliary to gold. Let silver be used to the full extent consistent with safety; such use is an advantage to those who produce it, but let us abstain from forcing it on the community under free coinage provisions which are so full of danger.

Mr. Trenholm will follow me. He needs no introduction. His qualifications and business life in the South are known to you. The discharge of his duties as Comptroller of the Currency and his close study of finance for many years have made him perfectly familiar with this questions and entitle his views to great weight.

Mr. BARTINE. Have you any idea about the quantity of silver bullion that would find its way to this country, striking an average of a year, according to the present production, under free coinage?

Mr. ANDERSON. Under free coinage I think very little would come in, not as much as now. I think the effect would be to put a premium on gold, and under those conditions it would stop coming in.

Mr. BARTINE. Then, in your judgment, it would produce a contraction of the currency rather than an expansion?

Mr. ANDERSON. I am not a believer in the contraction doctrine.

Mr. BARTINE. You think it would lead to that?

Mr. ANDERSON. It would demonetize gold.

Mr. BARTINE. If you take the amount of money left——

Mr. ANDERSON. It would make the amount less in your sense, but, as I understand it, gold itself will be as useful as currency; gold can be used as a basis for producing money after demonetization.

Mr. BARTINE. I am not speaking in the technical sense. You speak of gold being at a premium, and as a result of that its use as a circulating medium would be diminished.

COMMUNITY OF INTEREST BETWEEN NEW YORK AND THE COUNTRY.

Mr. ANDERSON. Certainly, there is no doubt of that. One moment there. I stated to one of the gentlemen of the committee that I was an attorney at law, but I wish to state here that I do not appear in that capacity. I am president of the Reform Club of New York, one of the callers of this movement, and appear here as a citizen and solely in that capacity. I will state here also that I shall be glad to make any answers in writing which may be desired.

Mr. WALKER. I want to ask you a question or two. You have said very emphatically and distinctly that the business and commercial interests of New York have no interest in this question aside from a public interest, and that in the injury of the farmers and the wage workers you would be injured, and that was your only interest in this question. I want to ask you whether there has ever been in this country any influences either of short crops or mistaken financial legislation or anything whatever that has injured the producers and farmers and wage workers that has not reacted with a larger effect to the injury of what would be called the commercial classes of New York than upon the original producer?

Mr. ANDERSON. They will both have a very hard time. The farmer has less to lose, and on the other hand the rich business people can afford to lose more without suffering so much, but a short crop of course reacts upon transportation companies, and through them upon the bond and stockholders of railroads in New York.

Mr. WALKER. And legislators in the same way.

Mr. ANDERSON. In the same degree.

EFFECT OF FREE COINAGE ON VALUE OF SILVER DOLLAR.

Mr. BARTINE. I would like to ask one more question before you retire. You have spoken of hoarding the gold and of its going to a premium which would leave us with a diminishing circulating currency. Suppose that result should take place, what in your judgment would be the effect of such a movement upon the value of the silver dollar which still remains in circulation?

Mr. ANDERSON. In my judgment, and I think I differ from many members of my committee, it would not have much effect either on silver or on the demand for currency of the world generally. I believe great disturbances and confusion and great losses may come, but I believe the gold can be used as a basis on which you can procure currency or its equivalent.

Mr. BARTINE. You do not think it will have any effect upon the purchasing power of the silver dollar?

Mr. ANDERSON. I do not.

COST OF PRODUCING SILVER AND OTHER COMMODITIES.

Mr. WALKER. A question of Mr. Bartine was that Mr. Kimball dealt only with productive silver mines; now, is it not a fact in getting at the cost and prices only enterprises that are sufficiently remunerative to be successful and continue—is it not upon those enterprises that the cost of every article produced is based and not those which are mismanaged and fail, and do not the silver mines come within the same basis?

Mr. ANDERSON. They are the same as with regard to wheat, potatoes, cotton, tobacco, and everything else that I know of.

Mr. WALKER. It is only the successful enterprises upon which the computation is based.

Mr. ANDERSON. They can only base the computation upon those. Unsuccessful enterprises will of course deter capital from entering a field of investment, but when you see such vast quantities of capital going in you can certainly conclude that at the prevailing market price the business pays on the investment.

Mr. WALKER. That is, it is precisely the same with mining silver in that respect as a boot or shoe factory, or cotton factory, or anything else.

Mr. ANDERSON. Certainly you estimate whether it pays or not in the same way.

Mr. WALKER. You count in the successful factors and leave out those which fail.

Mr. ANDERSON. I do not say you leave those factors out if you ask to ascertain whether an industry will attract capital, but to ascertain what it costs to produce potatoes or wheat you take the report from farmers that are producers, and you pay no attention to people who have gone to the West and who have, perhaps, taken to drink and become idlers, or of those who have been taken sick or have chills and fever and who produce nothing.

MOVEMENT OF SILVER UNDER FREE COINAGE.

Mr. WALKER. Now, one question further: The question was asked you how much silver would come, to which you answered that gold would go to a premium and that probably not very much would come. Now, is it not a fact, that, commercially speaking, that all that presses in the market to come is counted commercially as coming.

Mr. ANDERSON. Yes, sir; that is called the potential factor, which affects the market very much as if it does come. It does not produce a panic. It has the same general tendency, although not producing precisely the same effect.

Mr. BARTINE. Can you estimate how much that is?

Mr. ANDERSON. I think there are 4,000 million of silver in the world, all pressing to come. As I stated before, Washington would become a vast magnet which attracts the silver, but it does not come unless there is an advantage in the coin certificates over silver bullion.

Mr. BARTINE. Then it is your idea, your judgment, that if we should pass this new law all the silver coin which is in the world would press to come forward to our Mint?

Mr. ANDERSON. As long as there was a profit in bringing it here.

Mr. BARTINE. But that is the very point, whether there would be a profit.

Mr. ANDERSON. There would be profit if the coin certificates were worth more——

Mr. BARTINE. But I am speaking about the 4,000 million.

Mr. ANDERSON. I am speaking about the 4,000 million, too. As long as the holders of the world's silver, either in bars, coins, or in ornaments, can get more for the coin certificate than they can for the silver it will continue to come. Such portions of silver as are fixed in the community would not come any more than steel rails would come out of the ground if in some manner you increase the price of steel rails; but I say in regard to the 4,000 million, or whatever the sum is, as long as there is a profit to be gained and money to be made at Washington by bringing the silver here it would come.

Mr. BARTINE. I believe that, just as long as that profit continues; but will you explain where the profit comes in; if you gather all silver coin that is in Europe, doing the work there, would they transport that silver here, receiving for it a depreciated dollar?

Mr. ANDERSON. The profit is in converting the silver into coin certificates. If you assume that the coined silver will bring more than the equivalent silver bullion, the person presenting it makes the difference in value.

Mr. BARTINE. Even assuming the correctness of that, notwithstanding, you must be certainly aware that a very large portion of this \$4,000,000,000 in silver is now at a par with the gold dollar, doing as much work as gold. Now, how are you going to make the profit by exchanging the silver for our depreciated coin?

Mr. ANDERSON. There is no silver at a par with gold at the ratio fixed by our law.

Mr. BARTINE. Take the case of the French silver coin which is in France at a par with gold, 15½ to 1; that is to say, that weighed out is worth \$1.33; where would there be any profit in gathering up that coin and transporting it to America and getting for it a certificate worth even \$1.29?

Mr. ANDERSON. If we assume \$1.29, the holders of 5-franc pieces will make about 20 cents by exchanging them for coin certificates. But it is true as far as the silver 5-franc piece is actually used for currency purposes in France that a large portion of it would not come for the same reason that steel rails will not come out of the ground. It is being actually used for that purpose.

Mr. TAYLOR. Do you suppose free coinage of silver would increase its purchasing power?

Mr. ANDERSON. I do, for a time. It is the same way regarding the tariff. When you reduce or abolish the tariff on an article you raise its price abroad for a time.

Mr. TAYLOR. Do you consider that all goods and products increase at the same ratio as silver?

Mr. ANDERSON. That, of course, would be the result in time.

Mr. WALKER. When you say it does, you mean to say it does technically speaking?

Mr. ANDERSON. I mean to say this, after the passage of the act silver would be the basis of values, and prices would adjust themselves to the new basis of values.

Mr. TAYLOR. You mean to say that they would equalize themselves in a short time.

Mr. ANDERSON. Yes.

Mr. TRACEY. Then you believe the passage of this free coinage act would put up the price of silver?

Mr. ANDERSON. Certainly, for a time.

NO EXPANSION BY FREE COINAGE.

Mr. TRACEY. And that the circulating medium would not be materially increased?

Mr. ANDERSON. The circulating medium would be certainly decreased on account of the gold withdrawn.

Mr. TRACEY. I understand that, but I understand you to say after a time that you believe the people would not bring over silver to the mint to be coined in such large quantities as some anticipate?

Mr. ANDERSON. I do think so, and that the coinage relations would exist substantially as they are now. The people who wanted to get paper money instead of bullion could do so. There would be no bonus to be made, because of the premium on gold.

Mr. TRACEY. You think that many people, many farmers and others, have favored the free coinage of silver because they believe it will give more money per capita, and you do not think that that will necessarily follow?

Mr. ANDERSON. I think it is an absolute humbug. You will have no more per capita than you had last year.

Mr. VAUX. There is one question I would like to ask you. How will the value of these silver certificates be maintained as they are now with the free coinage of silver?

Mr. ANDERSON. The only element to maintain the value of the coin certificates is the legal-tender feature and their being receivable for customs. As far as the legal-tender element is concerned, as soon as existing obligations have been paid at 80 cents on the dollar, as soon as the demand for that purpose is satisfied, the silver certificates will be worth no more than silver bullion.

SILVER FROM FRANCE.

Mr. WALKER. This is all to be published and it is a matter to go on the record and that is the reason I give for asking the question I am about to ask now. Your theory in reference to money being made by sending coin here, as I understand it is, that the coinage of silver here would be increased so that there would be silver pressing to come and it would come here for gold because Europe could replace the silver for less than they sold the silver for?

Mr. ANDERSON. Exactly, because the coin certificates would bring more than the silver. Some coin would come here although they would have to retain some silver for the purpose of using it as money.

Mr. BARTINE. Do you think the Bank of France would give us her \$25,000,000 at a loss of 25 per cent.?

Mr. ANDERSON. I do not think there would be any such loss, but I would like to answer that question in writing about the Bank of France.

Mr. BARTINE. Of course any communication you wish to send to the committee will be thankfully received.

Mr. ANDERSON. I would like to answer that in writing as I could do it better.

Mr. BARTINE. But that question is a very simple one——

Mr. ANDERSON. It is not a simple question as to whether the Bank of France would be willing to part with its store of silver.

Mr. BARTINE. The reason I ask that is that Mr. Walker's question rather suggested the idea that a mass of silver might come, and I rather fancied from your answer that it would.

Mr. ANDERSON. I do think the French authorities would see the advantages accruing to them from the free coinage of silver here and take this advantage of this foolish law if we should pass it and they would part with the silver.

Mr. TAYLOR. And take the chances of buying it back?

Mr. ANDERSON. I would prefer to give the details of that in writing, because it is not susceptible of a simple answer.

Mr. VAUX. You will send that in writing to the Secretary?

Mr. ANDERSON. Yes, sir.

Mr. VAUX. There is one question arising out of a remark you made which struck my ear, and I have been reflecting upon it for a moment, and that is that the value of the silver certificate does not depend upon the quantity of silver coin——

Mr. ANDERSON. I stated the value sinks, the legal tender quality; the right to pay debts with it must soon lose its power to support the certificate and the value of the coin certificate will sink so that the coin certificate will be precisely equal in value to the bullion against which the silver dollar is issued. All my answers in regard to the movements of foreign silver to America are confined to the period during which there is no premium on gold. The premium, in my judgment, will be immediate, so that the invasion of foreign silver will not take place. But if I am mistaken and the premium does not immediately occur, then the silver must come and in such quantities as will in a very short time compel a premium on gold.

STATEMENT OF HON. W. L. TRENHOLM, OF 160 BROADWAY,
NEW YORK.

The CHAIRMAN. You were formerly Comptroller of the Currency?

Mr. TRENHOLM. Yes, sir; as there seems to have been during the discussion of this question much attention paid to influences supposed to have force with those who have made arguments or given testimony on the question, I desire to place myself before the committee in the attitude of one who has looked at this question purely as a student.

Mr. BARTINE. I want to interrupt you and say, as far as I know, there is not a member of this committee in favor of free coinage who has impugned the motives of any person appearing before this committee on this subject.

Mr. TRENHOLM. Excuse me, I tried not to imply that; I said there seemed to be a desire to know the kind of influences that were supposed to be operative in bringing certain men to the conclusion they had reached, and I desire to state to the committee and submit to their judgment as to its effect the sort of influences which have been operative in my case.

I began my business experience after a collegiate education in the year 1856 as a cotton merchant in the city of Charleston, S. C. I then became a partner in a branch house of my firm in Liverpool, where I remained 2 or 3 years, participating in the conduct of the affairs of that house. I then returned to South Carolina, and during the war I was in the army. After the war I had a very large amount of business to transact, both active business and winding up estates during a period of time when the currency of this country was depreciated, or what is more familiarly known as the time when there was a premium on gold. I was for 3 years Comptroller of the Currency, and during the whole of that time and since I have been a student of the immensely valuable information gathered in that bureau of the Government.

Mr. WILCOX. What years were these?

Mr. TRENHOLM. From March, 1886, to February, 1889. Then I went to New York and became president of the American Surety Company, a corporation engaged in issuing bonds and undertaking for the fidelity of individuals. That company will not be affected in any degree by any consequences that have at any time been attributed to this legislation. In my personal affairs I have no interest in this question, except that from the knowledge I have of these things, I think any disorder of the currency could be turned to my personal advantage. I come before the committee untrammelled by anything as far as personal interest goes, or by any prejudice which, as far as I can find out by conscientious examination of myself, has in any way tinged or colored the views I have formed on this subject. I have been somewhat particular about that, because I see it everywhere in the newspapers that there is throughout the South a very strong feeling in favor of the free coinage of silver upon the theory that it is going to benefit the people of that immediate section. All my affections are there, all my interests are there, all my kindred are there, and all my vested interests are there. I own property there and I own property nowhere else. Therefore, if I am wrong I am wrong against the natural solicitations which prevail with men, which lead them to form conclusions in harmony with either their interests or their affections.

POUND STERLING THE INTERNATIONAL STANDARD.

The conclusions I have arrived at rest upon this primary principle ; in every business, whether it is the business of a farmer who has to lay out a drainage system upon his farm, or a mechanic who has to lay out his work, or an engineer who has to build a railroad, and in every other mechanical or physical employment, there is necessary to success and to orderly progress and construction that a beginning should be made by establishing what is called a datum point, or a datum line. If the farmer is going to drain his farm, he must assume a level to which the drainage must be brought, and he must construct his drain to that point, relying upon the uniform natural law of nature which causes water to descend where it is at liberty to do so, and so fix his drains as that the superfluity of rainfall may be carried off from his land. If the carpenter is constructing a building he must have his rules and measures, by which the different parts are fashioned, accurately adjusted and in correspondence with each other, or else no two things that are intended to come together, and being separately made, can be brought together successfully.

In the city of Charleston, where most of my life has been spent, we are in the tidewater, and I remember that years ago there was put down in the river a stone pier with a notch cut on it that the pilots there called a "bench mark," and by that benchmark the rise and fall of the tide is measured day by day. It is essential to the safe conduct of vessels passing over there into the port. Now, in the same way, by parity of reasoning, the men who are carrying on the commerce of the world—I am not speaking of this country alone, but of the world—have established a datum point with reference to it. They make all their computations of profit or loss, of expenses, or of interest by references to that datum point, and that datum point is the pound sterling. Whether they are right or whether they are wrong, or whether they could have done better or done worse, is a matter that admits of a great deal of discussion, but the fact remains that in all parts of the world wherever there is commerce, wherever there is trade, all transactions of merchants are governed by the value of a pound sterling in London. You will see every morning in the papers now what you did not see before, viz, the quotation price of gold in Venezuela and Buenos Ayres. Why? Because there is a great trade between that country and this. In those countries the currency has depreciated, and when our merchants are exporting from this country or importing from that country, or contemplate buying there for shipment here, or buying here for shipment there, they must begin by translating prices in South America into pounds sterling, and then consult the tables to find the American equivalent for the pound sterling, and, considering the world's trade, we must concede that the pound sterling is the bench mark of commerce, its datum point. That is one value which all the world has agreed to take as the basis of their commercial transactions.

Now it may be true, as some persons think, that the value of gold—and gold is another term for pound sterling—is not really a fixed point in monetary space, if I may use that word, but is going up and down. That may be true. The bench mark in the harbor is not at a fixed distance from the bottom, for that distance changes as the sand may sweep up around it or be cut away, but with relation to the movements of the tide it is a fixed point; in like manner, in relation to all commercial movements, the value of the pound sterling in London is a fixed point and it is the only fixed point.

Mr. BARTINE. Is it fixed any more than in the sense that its name has never changed?

Mr. TRENHOLM. It is fixed because the quantity of gold it represents and the fineness of gold it represents, has not changed for generations and the general belief is that it will not be.

Mr. BARTINE. I understand that the pound sterling must contain so much gold, but you say it is a fixed point of commerce and I ask if it is fixed in anything more than its name.

Mr. WALKER. Is it not held the world over to be a fixed point and therefore it is such for commercial purposes?

Mr. TRENHOLM. Yes, sir; conventionally agreed upon. It is like the horse power in mechanics, it is conventionally agreed upon as the unit and basis.

Mr. WALKER. Commercially it is a fixed point?

Mr. TRENHOLM. Yes, sir.

Mr. BARTINE. Is that anything more than a mere term of enumeration?

Mr. TRENHOLM. You mean that the horse-power is a mere term in mechanics?

Mr. BARTINE. Does not the horse-power represent a fixed dynamic force in mechanics—

Mr. TRENHOLM. Precisely; and the pound sterling represents a dynamic force in monetary affairs and commercial affairs just as the horse power represents a certain unit of mechanical force. It has a debt-paying force; it has a purchasing force which is exerted in all parts of the world, and it has a debt-paying force in all parts of the world, and in all parts of the world it exerts a force precisely uniform in effect and potentiality.

Mr. BARTINE. I do not like to interrupt you, but you did not make yourself plain and clear to my mind; I may be a little dull, but still I fancy I can see a great deal of difference between an effective horse-power which will raise just so many pounds such a distance a minute, and in the effective purchasing power of just so many pounds sterling—

Mr. TRENHOLM. Because it does not change in its purchasing power.

Mr. BARTINE. You tell me there is no change in its purchasing power when it will buy 40 per cent. more now than it would 15 or 20 years ago; there is a change certainly.

Mr. TRENHOLM. The bench mark is fixed but in reference to the tide it is always changing, because sometimes the tide flows in and rises and then it flows out and falls, and the relation between the bench mark and the surface of the water is always changing. There is an effect upon the bottom; sometimes the bench mark is nearer to the bottom because sometimes the sand piles up and then at other times it is scoured out, but the bench mark is a fixed point.

Mr. BARTINE. Then you claim that the change is in the other things and not in the pound sterling?

Mr. TRENHOLM. I say it is so and must necessarily be so, because in the water or out it is necessary there should be in everything a fixed point. The sun is a fixed point for the revolution of the planets. The human mind can not conduct a process of reasoning without assuming a fixed point. You must assume that two and two make four or you can not work a problem of addition, although I believe some writer says that a woman believes she can always make two and two make five if she cries enough about it.

Mr. BARTINE. I quite agree with you on every proposition you lay down by way of illustration, but I do not think you state parallel cases.

Mr. TRENHOLM. I desire to make myself clear and I think you will see where it is going to come out if it does come out.

Now I say the pound sterling has become the universal bench mark of value by the usage of the world. I do not say there is any virtue in the pound sterling itself; the world might have selected anything for this purpose, but the world needing such a thing has for its own reasons and in its own way come to a general agreement to use the pound sterling as the datum point for all commercial transactions. This agreement is proof of the need as well as of the sufficiency of the datum point adopted. Now the pound sterling has fixed in it a certain quantity of gold of a definite fineness, therefore there is no need for assuming that the pound sterling is a mere name—true it could be called a Victoria, in fact the coin is called a sovereign. The term pound sterling is an abstract expression denoting a certain definite weight and fineness of gold. When coined it is called a sovereign, and half the quantity when coined is called a half sovereign; therefore it is obvious that what the world uses is not a coin but it is a quantity of gold which is fixed by the statutes of Great Britain. The reason why the world has adopted this basis is because it has not been changed for generations and it is believed that the English people who are known to be averse to experiments are not going to change it. In consequence of that London has become the clearing house of the world, because when a man sells a bill of exchange on London he knows exactly what it will take to settle it, and when he buys such a bill he knows how much gold he will receive when it is paid. There is no variation and no change.

Mr. WALKER. How long has that been assumed?

Mr. TRENHOLM. That has been true since——

An OUTSIDER. Since 1816.

DIFFICULTY OF MAINTAINING UNIFORM VALUE OF BOTH GOLD AND SILVER.

Mr. TRENHOLM. I forget the date. Therefore when we come to consider the question of free coinage of the two metals at a certain fixed ratio, we must first consider whether it is possible (to some it may seem incredible and impossible) to maintain gold at a fixed point. But if it is impossible to maintain one metal at a fixed value the difficulty must be greater to maintain two metals differing from each other in their commercial uses to a great extent, differing from each other in the volume of production, differing from each other in bulk and weight in proportion to value (which is of course a very important matter when transportation comes to be taken into consideration); if it is difficult to maintain the value of a definite amount of one metal, even when it is a fixed point in universal commerce, it must be infinitely more difficult to maintain two metals independent in their ratio, somewhat independent in their use, at two fixed points always precisely in the same precise relation to each other.

Now I doubt if at any time during the prevalence of the Latin Union the ratio between gold and silver was actually maintained. The use of the two coins in circulation and their admission to the mint was preserved because of the area over which that extended and the slowness and costliness of the transportation of those days and the power of the Government behind, but that is too big a subject to go into now.

Now it was said a little while ago that the silver coinage of France was now maintained at a parity with gold. It is maintained at a parity with gold precisely as our standard silver dollars are maintained in this country at a parity with gold——

Mr. WALKER. And the paper dollar?

Mr. TRENHOLM. And the paper dollar—it is because every silver dollar in this country has behind it an invisible halo of Government credit; it is because the Treasury has successfully maintained up to this time the complete interconvertibility between silver and gold that our standard silver dollars pass amongst the people at a parity with gold; but as I understand the present free coinage bill its purpose is to withdraw from the silver dollars that halo of Government credit; Government guaranty; it is for the Government to say to the holders of silver dollars, “Heretofore we have given you $412\frac{1}{2}$ grains of silver and as long as that was guaranteed at any time you could convert that into $25\frac{8}{10}$ grains of gold by taking it to the Treasury and getting gold in place of it. Now from this time forward we do not propose to do that any more. We intend to let this dollar go on its own merits as $412\frac{1}{2}$ grains of silver because we think the dollar is now strong enough to stand alone without our indorsement, and when we withdraw our indorsement from it we will in that way increase its value very much above what it has ever had heretofore by itself.”

NATURAL FLOW OF SILVER.

I maintain that if the Government takes $412\frac{1}{2}$ grains of silver worth 80 or 85 cents and coins it into a dollar no more than that value can attach to that dollar, while you think, if you let that quantity of silver go through the mint and be coined, without the Government giving any guaranty to maintain it on a gold basis, that the mere mint stamp will raise the value of that particular $412\frac{1}{2}$ grains to 100 cents, gold standard. In discussing this point we must remember that the present price of silver everywhere has been in a measure affected by the course of our legislation which has kept back in this country over 10,000 tons of silver that otherwise would have gone to Asia. For centuries the world's surplus of silver has tended toward Asia. Even since a portion of our annual product has been detained for coinage in this country the surplus has found its way ultimately through European markets to Asia.

Our silver crop is like the cotton crop, of which the ultimate destination is foreign consumption. A portion is detained in this country for manufacturing purposes and the rest is exported. The value of that which is exported determines the price of what is retained at home for domestic manufacture. It is precisely so with silver, for which there is very little natural demand in this country. We are not consumers but producers of silver, and no part of our silver would ever be traveling across the ocean, either to Europe or Asia, unless it has here a commercial value less than it has at the same time in Europe, because transportation, insurance, and interest during time of transition must be defrayed. That being the case, if we had never had any silver-purchasing law in this country our silver would have gone, as our cotton crop has gone, abroad, and it would have found its destination among the great populations of Asia who have always been absorbers of silver. When you have free coinage of silver you will, if you effect anything at all, simply substitute coined disks of the metal for bars bearing the stamp of the assay office. From Colorado, or anywhere else where silver is produced, its first destination is to the assay office to be refined and stamped, so that sellers and buyers alike may know exactly what weight and fineness are contained in each bar. Under free coinage of silver the mint will do for a fraction of the bar ($412\frac{1}{2}$ grains) just what,

neither more nor less, the assay office does for the whole bar, viz: Certify to its weight and fineness. As far as the intrinsic value is concerned it can not possibly make any difference whether silver is stamped in bars or in coins. The Government certificate is equally good for both.

Mr. BARTINE. Do you think that giving it a legal-tender quality has anything to do with it?

Mr. TRENHOLM. Not in the least. I will assume that you are a producer of silver; that your silver has been run into bars, and that we have free coinage. You have a right to send it to the mint and to get silver dollars for it, but what inducement will you have to do so?

Mr. BARTINE. Bullion would be worth as much as coin in that case.

Mr. TRENHOLM. Precisely; there will be no inducement for you to send it to the mint. If you can get in Denver as many dollars in silver or coin certificates for it as you can by sending it to the mint, what object have you in waiting while you send it to the mint and get back your dollars, with the cost of transportation added? I say there is no object to do that. The farmer in these days does not take his wheat to mill but he sells his wheat and buys his flour as flour. The man to whom he sells the wheat may pay him for it partly in flour. And so it is with the producer of silver, a man will not send his silver to the mint simply because he may. He would do as the producer of gold does now, who is governed in disposing of his gold bars by the demand for gold in this country. In other countries gold in bullion is worth more than in our coins, and as a great part of the product of the mines must go abroad, gold producers and dealers hold bars instead of coins; it will be the same with silver under free coinage. The only reason why silver does not go abroad now is because the purchase of silver by this Government has made a market for it here in which higher gold prices are paid than in the markets abroad. If we stop buying silver under our laws as they are now and pass the pending bill the metal in every form will sink to its bullion value, and a large part of our silver dollar coinage will go into the melting pot, so that the amount of silver in circulation will then be less than it is now.

Mr. BARTINE. I agree with you, with the exception of what you say about the melting down of silver.

Mr. TRENHOLM. I think you will agree with me about that too, if you think about it. Four hundred and twelve and one-half grains of silver is now worth about 20 grains of gold and the Government guaranty contained in the present monetary unit law imparts to this quantity of silver when coined into a standard dollar an additional value equal to that of about $5\frac{8}{10}$ grains of gold. If a free coinage bill is passed gold will either go to a premium or it will not. That is certainly true. If gold does not go to a premium that will show that the free coinage of silver has raised $412\frac{1}{2}$ grains of silver up to the value of $25\frac{8}{10}$ grains of gold without any Government guaranty behind it. Do you think it possible that mere coinage can produce such an effect? But if that effect is produced, since there is no silver in Europe or Asia which is exchangeable anywhere else at the rate of $25\frac{8}{10}$ grains of gold for $412\frac{1}{2}$ grains of silver there is no power, governmental or commercial, which could prevent the silver in those continents coming to the mints of this country and continuing to come as long as silver is more valuable here than it is in any other place on the face of the earth.

I remember when speculators in New York made a corner in cotton some years ago, they put up the price so that large quantities were shipped from Liverpool to New York. That was a peculiarly anomal-

ous state of things—the idea of cotton grown in this country and actually stored in Liverpool, being shipped back to New York. There is a gentleman present in this room who tells me he shipped cotton from Liverpool to New York at that time. The same thing will take place as to silver if (which I think is beyond the bounds of possibility) no premium on gold results from the free coinage of silver under the pending bill. In other words, the free coinage of silver must change the value of our dollar from that of $25\frac{8}{10}$ grains to that of 20 grains of gold—and then if you have two coins or two notes, one worth $25\frac{8}{10}$, and the other 20 grains of gold, either of which can be used in payment of a debt or purchase of an article, naturally you would pay out that which is least in value, and retain that which is most in value, and as everybody would certainly and simultaneously do the same, one coin would command a premium in exchange for the other. Four dollars of one currency would buy as much as \$5 of the other.

GOLD AS COLLATERAL.

Gold and silver will, therefore, part company immediately; and hence I have no fear that if we had free coinage we would have silver coming from abroad or from anywhere else. I think a part of the silver we have now would go away. It is estimated that there are \$700,000,000 in gold coins in circulation in this country now; that is including gold certificates representing coins deposited in the Treasury. I think that is an overestimate. I will assume that figure, however, and also that \$200,000,000 of gold will be kept to be used in the foreign exchange business and in the payment of customs, gold interest, etc., leaving about \$500,000,000 which will cease to be used as money, and will pass into the category of property. This gold can not be used, or rather will not be used to pay debts, because those who have it will find it cheaper to borrow money on interest with the gold as collateral and pay their debts with this borrowed money, than to apply the gold itself in that way.

Mr. BARTINE. Suppose that should take place, would not the inevitable tendency be to throw the burden of business upon the remaining portion of the currency, and thereby enhance its value?

Mr. TRENHOLM. It would enhance the rate of interest charged for its use but I do not see how it can enhance the intrinsic value of any coin or note. The passage of the purchase bill of last July led to the accumulation of a stock of silver bullion in this country in the hands of dealers who brought it up and waited to sell it to the Treasury and thereby make a profit. There was an accumulation in that way in New York of 12,000 to 15,000 ounces of silver. The bulk of that silver came to the New York market when there was a great monetary stringency, and yet the holders of the bullion could borrow money on it in New York at the lowest rates, and why? Because it was the best collateral security offered in the market. Loans on silver had the preference and crowded out other loans, increasing the monetary distress and the financial strain. Gold bullion is just as good collateral as silver bullion. Therefore, if I am correct in saying that this 500 millions of gold coin will disappear from circulation and cease to be used as money, it is absolutely certain that it will immediately reappear as property and be offered as collateral security to loans. It will be in the position that gold was in when it was at premium between 1862 and 1879 when it was held in the form of deposits, and used as collateral for borrowing.

We will thus not only have an immediate retirement of \$500,000,000

of money out of our circulation, but we will also have the advent of \$625,000,000 in a desirable commodity to be "carried" by loans in bank. In other words, we will have reduced the amount of loanable funds by \$500,000,000 and converted it from money into property absorbing \$500,000,000 of the remaining loanable funds. That is inevitable. There is no argument which can disprove the absolute truth of that, I think, if free coinage puts gold at a premium.

There are those who think that free coinage is going to make money cheap and enable the farmer to borrow money more advantageously than he does now, but if my reasoning is correct it is absurd to expect such a result. If there is a loss of \$500,000,000 cash and an absorption of at least \$500,000,000 of loanable funds will that be any advantage to those who want to borrow money? It seems to me that the depletion of loanable funds will put beyond reach the advantages any ordinary borrower expects to get out of a depreciated currency, because who will be able to get currency with which to pay their debts, except those having gold or its equivalent to offer as collateral security?

LOSSES FROM DISORDERED MONEY.

Mr. BARTINE. Would not the constant demand for that depreciated currency have an inevitable tendency to raise its price?

Mr. TRENHOLM. The price for the use of it, certainly, and we will assume, though I can not admit, that it raises its purchasing power also. How is the farmer to get any advantage from that? High interest and low prices for his produce? I understand that this matter of free coinage is pressed by two parties—those who desire to revive the mining industries, and those who think that by reviving those industries in this way the volume of money in this country will be very largely increased, that the amount of circulation per capita will be greater, and it will be easier for those who have debts to pay them. I think I have now shown that that is an error; and if so, it will be an absolutely irretrievable mistake, as soon as this measure is passed. We had gold at premium once before. The fluctuations in the price of gold in New York simply marked points on the scale of the financial thermometer, but there were concurrent fluctuations in the prices of all the exportable products of this country, because these prices were expressed in the currency of this country while in the markets abroad prices were expressed in gold, and the value of gold then was unchanged. Every time gold went up here cotton, wheat, petroleum, tobacco, and everything that was bought and sold in currency went up. Every time gold went down, produce went down; and the consequence was that every dealer in produce, and every merchant as well as every importer, was, in spite of all the efforts he might make, forced to be a speculator, because his profits or losses were largely dependent upon these changes in prices, and he could not foresee or guard against them in his business.

The records of this country show that in no other period of time in all its history have failures in business been so disastrous and widespread as they were during that period when gold went up and down. They were not produced by gold fluctuations, but by the fluctuations in currency prices, of which the gold quotations were really the exponents. The great importers and large dealers "hedged" by buying or selling gold and other things on speculation, but the thousands of small traders were unable to do so. It was during that period that all these great produce exchanges were established here, such as the cotton, the produce, the petroleum exchange, and similar exchanges and "boards of

trade" were brought into existence elsewhere where corn, wheat, cotton, barley, and all manner of produce were sold on contracts, or held as a basis of speculation. These arenas of speculation sprang up because they became a necessity to those who had to carry stocks of produce or other goods, and who were obliged to neutralize the uncertainty of future prices by offsetting one speculation against another. Contracts were there bought and sold against the stocks carried in legitimate business.

If you put gold at a premium again, you will reinstate that system of speculation, with the failures, disasters, and all the demoralization and discredit which will come from it. People will soon compare the present with the past; and as they know now more than they knew at that time in respect to the dangers of it, the banks and capitalists will be averse to putting out any money on credit. Therefore, if you do anything which renders the value of money uncertain for the future, it will embarrass borrowers. People will not lend. No one is going to lend \$100 now with the chances of getting back \$100 of less value a year hence. In Wall street one can borrow from day to day, but the farmer must borrow at the beginning of the season, and can not pay until the end of it. When the farmer borrows he lends to his land. He is both debtor and creditor.

Mr. WALKER. He borrows capital.

Mr. TRENHOLM. He borrows capital. The money he obtains by loan is put into his land in the shape of plowing and seed and labor and the expenses of harvesting and transporting to market. His land is his debtor, and unless his land pays him he can not pay his debts. It is nothing to him whether it is gold or silver or anything else, but it is a great deal to him that his land should bring him back dollars of equal value with those he has to pay his creditor and that can not be assured to him if the currency fluctuates in value, *i. e.*, in purchasing power.

EXPORT OF SILVER IN COMPETITION WITH PRODUCE.

The farmer has another interest in this matter. We have a great mass of silver banked up here, and if free coinage is going to make it an exportable product that whole volume of silver will compete in exports with everything else we export. The foreigners with whom we trade have limited means of payment. They can pay us only in those things which we can import profitably, and we have lately put up strong barriers against many things that might otherwise be coming in. Now, this being the case, every producer of wheat, corn, cotton, tobacco, or anything else which is exportable, will find it worth while to consider what effect large exports of silver this summer will have upon the value of his crop, which can not be sold until next autumn. That is a matter of serious consideration to those also who have the interests of the farmers at heart.

Mr. BARTINE. Do you claim that the exportation of silver bullion would interfere with the shipment of cotton and wheat next April?

Mr. TRENHOLM. Yes, sir. Why not? All commerce is a mere exchange of values, and when we have paid silver for our imports what shall we get in return for other articles of export?

Mr. BARTINE. Cotton and wheat and those ordinary articles of consumption are for special purposes which silver can not perform.

Mr. TRENHOLM. Very true, but if it be, as I assume, that it becomes profitable to resume the export of silver to the East, then the process is a simple one. The English people will take our silver and send it to India, where they will get cotton and wheat for it; so that the silver

we export will supply them with the cotton and wheat from Asia, and they will take less of these articles from us.

Mr. BARTINE. What, in your judgment, has been the effect upon our foreign trade in England, where we come into competition with the East Indies, as the result of the depreciation of silver which began before 1878?

Mr. TRENHOLM. I think at first it stimulated exports of wheat and cotton from India to Great Britain, thereby reducing the value of these staples received from us, while it depressed the export trade from England to India in manufactured products. The manufacturers of Manchester and Birmingham found that the shipment of silver to India consequent upon its declining value in London had curtailed the India markets for their products. They found that when they shipped goods there, they could get payment only in depreciated money. The Asiatics never perceived (did not "catch on" as they say) that the rupee was going down. They looked upon the rupee as the bench mark in all their calculations, just as we look upon the dollar. It had served them for a long time. With the exception of the intelligent Parsee merchants, no one dreamed that the silver rupee was not worth as much as it was 10 years ago. The English merchants took advantage of that and kept shipping silver to India, coining it into rupees, and getting cotton, wheat, and everything at what seemed high prices to the natives, but what were really low prices according to the bench mark in London, the pound sterling. They found they were able to make a profit out of declining silver by paying in India high prices for cotton and shipping it to London. They kept that up a long time, and then the Manchester people found that this process was shutting them out of the means of sending goods to India. They found also that they were sending to India more value than they got back, for when the cotton and wheat had paid for the silver there was nothing left in India to pay for goods. The silver sent to India left that much less room there for manufactured goods.

Recess until 3 o'clock.

GOLD AS COLLATERAL.

Mr. WALKER. Several members of the committee would like to ask you a few questions, Mr. Trenholm.

Mr. TRENHOLM. I shall be glad to answer any questions that may be asked.

Mr. BARTINE. There is some little doubt, by myself and members of the committee, concerning your position on a certain question. You did not make yourself quite clear to us on a certain point. That is this: You spoke of gold going to a premium and as an article of merchandise being used as a collateral security, stating that it would be the best security in the world and that money would be loaned upon it. Your conclusions seem to be that not only would the 500 millions of gold—supposing that to be the sum that would be withdrawn—be taken from circulation, but also 500 millions more, making 1,000 millions in all. Will you please explain a little more fully.

Mr. TRENHOLM. Not that the 500 millions more would be withdrawn from circulation, but that the 500 millions more would be called for as loans on that 500 millions of gold, and once loaned would go back again into the channels of circulation. It would not be a permanent reduction of the circulation to that amount, but it would be that much absorption of loanable funds. You see the loanable funds in a community are not simply the amount of circulation in

that community. The loans in the city of New York, or in the city of Chicago, or any other city in the United States, are always far in excess of the amount of currency in circulation in that community, because the only function of currency in respect to loans is to liquidate each loan twice—once when the loan is made and once when the loan is paid. The function of currency is simply to liquidate, the function of money is simply to liquidate. If I borrow from you \$10,000 you must have \$10,000 to lend me, and I take it and use it for the purpose I borrowed it, and it goes back immediately into circulation. When that loan matures, I must by some means withdraw from the general circulation \$10,000 and return it to you in payment of the loan, and when you lend it to somebody else again it again enters into circulation. So that the relation of the volume of currency to the volume of loans is simply a relation determined by the number of cases and the volume of amounts in which loans have to be made and repaid. That is all.

Mr. BARTINE. That is largely abstract. Can not you take a specific case by way of illustration? Take the sum of \$100,000 worth of gold used as collateral as you described, and show how it would have the effect, even temporarily, of withdrawing both the gold and the money that is loaned upon it.

Mr. TRENHOLM. I can give you a very good illustration.

Mr. BARTINE. That will make it clear.

Mr. TRENHOLM. Suppose I have in bank in New York \$100,000 to my credit in cash at present—

Mr. BARTINE. That is, in the regular currency of the country?

Mr. TRENHOLM. Just as the money is credited in everybody's name at the present time, and having private information that this bill is going to become a law—that it is going to be passed by this House and approved by the President, and be the law—and desiring to make some money out of it, I draw a check on the bank for the \$100,000, and with that check I procure, which I can easily do, Treasury notes or sterling exchange, and by that means I get the gold in my possession and lock it up in the safe deposit company, which would be the course I should take under those circumstances. That gold coin would be withdrawn from the circulating medium and I would get hold of it and lock it up. Why do I do that? Because I think gold is going to a premium as soon as the act is passed.

We will suppose the bill is passed and the gold gone to a premium. Now, suppose I had borrowed the \$100,000 to make my deposit in the bank in the first instance. Suppose I had real estate in New York and I gave a mortgage on it and borrowed \$100,000 from the savings bank, and I put that \$100,000 in bank to get that much to my credit, and I drew a check and converted it into cash and put the actual gold coin into the safe deposit. The free-coinage bill passes and gold goes to a premium; now it is quite certain I am not going to use that gold to take up my mortgage, because it was on the expectation of gold going up to a premium that I made the mortgage. When gold has reached what I think is probably a maximum premium, or approaches it, I may do one of two things with that gold. I may sell it on the exchange, where it brings a \$120,000 in currency, and then I will pay off my mortgage of \$100,000 and will have made \$20,000 on the transaction. If I think gold is going to a still higher premium and I desire to stop the interest on my mortgage, I will go to a banker and say here is \$100,000 in gold worth \$120,000 in currency to-day, and I would like to borrow on it \$100,000 in currency at the lowest rate at which you can lend it. If that rate is lower than the rate of interest I am paying on my mort-

gage I will make the loan and pay off the mortgage and get my property clear and have in value in gold \$20,000 more.

When I take that gold into the bank and borrow \$100,000 from the bank on it, I get credit on the books of the bank for that \$100,000, and then I get a certified check from that bank and take that certified check down to the savings bank and there I deposit it. The savings bank sends it to the clearing house, and that \$100,000 is transferred from the bank that lent me the money to the savings bank where the deposit is. The bank that has lent me \$100,000 has used up in the operation \$100,000 of the amount it that day had available for loans. If it had only \$100,000 available for loans that day, then probably my proposition would come in competition with propositions for loans from other persons, some desiring to borrow on wheat, others on cotton, others desiring to borrow on commercial paper, and in consideration of these competing proposals for loans, the preference would be given to mine, because on banking principles they would say "gold is the most absolutely certain collateral that we can have."

Therefore if that bank had that day but \$100,000 to lend, I would get the \$100,000, because I could give gold as collateral, and the people who were carrying on the business of the country, marketing its commodities, and engaged in the distributing trade like groceries, etc., would have to stand aside until my application was satisfied.

Mr. BARTINE. That makes it very clear as to what your profit would be in the event of gold going to a premium, but you have not made it clear as to how the gold and the money are both withdrawn from circulation at the same time, except possibly during the brief interval that would elapse between the drawing of your check and the cashing of it.

Mr. TRENHOLM. The currency is not withdrawn from circulation by being loaned.

Mr. BARTINE. You do not mean that the fact that 500 millions of dollars in gold going out of circulation and becoming a security would contract the currency 1,000 millions.

Mr. TRENHOLM. I say absorb that much of loanable capital. It is just as when the silver bullion accumulated in New York increased the monetary stringency, notwithstanding all the disbursements from the Treasury—extraordinary disbursements.

Mr. BARTINE. It throws just that much more work on the currency.

Mr. TRENHOLM. Yes, sir; I was speaking of its effect upon those who had to borrow.

Mr. WALKER. The remarks that you have already made may be explained quite fully in any brief answer that you might give, as others are to be heard.

Mr. TRENHOLM. I will make my answers as brief as possible.

MISERY FROM DISORDERED CURRENCY.

Mr. WALKER. I do not wish to prolong this hearing, as my brother [Mr. Bartine] well knows. [Laughter.] I understand you to say that any change of the measure of value you could turn to your personal advantage, as any shrewd man could, but that the injury comes to those who are engaged in legitimate business in proportion to their business, and to the wage-earner in proportion to his wages, and to the farmer and business man in proportion to his business, and that the men who profit are the brokers and speculators, and that it compels all men to speculate to some extent.

Mr. TRENHOLM. Yes, sir. In Macaulay's History of England, during the reign of William the Fourth, you will find a very interesting account of the effect produced by the disorders of the currency at that time. Macaulay undertakes to say that all the misery and suffering caused in England by all the wars and rebellions that they had had there during a long course of time, had not wrought so much suffering and misery as the disorders of the currency which he then wrote about, and he concludes his narrative by stating that during all this trouble and disorder there was one class that prospered greatly, and that class was the bankers. That is one of the most striking descriptions in history of the misery brought on the population by disorder in the currency and the money profit to those who are astute enough to take advantage of the situation.

VALUE OF SILVER UNDER FREE COINAGE.

Mr. WALKER. Now, to make the point already made clearer, I want to ask you whether if a metal has free coinage anywhere—for instance, if silver metal has free coinage to-day in India, and practically in China, though not in the form of mints, and in Mexico, is it commercially conceivable that adding the United States to free coinage silver countries can change its market value here or its world's market value?

Mr. TRENHOLM. I would prefer to refer to facts. The free coinage of silver in Mexico does not make silver in Mexico any more valuable. The silver coins of Mexico are not in the world's market to day worth any more than the silver they contain. They are worth just that and nothing more. The exchange on New York from any part of Mexico represents precisely the difference between the London value of our gold dollar and the London value of the silver in the Mexican dollar.

Mr. WALKER. My point is this, whether it is conceivable to persons familiar with financial transactions that opening our mints alone would change the commercial value of silver; whether adding a third mint in coining silver would for any length of time change the commercial value of silver with reference to gold.

Mr. TRENHOLM. I think that if we had no silver already coined in this country—none at all—the opening of our mints would increase temporarily the value.

Mr. WALKER. I mean under present conditions.

Mr. TRENHOLM. I was going to explain. I think if we had no silver the opening of our mints might temporarily give an increased use of silver, and therefore raise the price. But, of course all prices are merely representative of the relation between demand and supply. If we had no silver already coined and the opening of our mints caused a certain amount of silver to be coined, it would have the same effect on general silver value as the purchases that we have been making of silver since 1878. I think the purchases of silver made in this country from 1878 have raised the local price of silver very much above its natural level, and that free coinage, so far from increasing the use of silver in this country as money, will have the effect of making the silver coins revert to form of bullion, and I think that free coinage would greatly reduce the price of silver. I expect the price to decline in London if this bill passes.

RELATION OF MONETARY UNITS.

Mr. WALKER. I wish to recite here what is familiar to all of us, but I want to get it into the record where the people may read it. The unit of value measured by our gold dollar in the Latin Union and Belgium

Finland, and Spain is 19.3; Ecuador, Bolivia, Columbia, Peru, and Central America is 77.1; British Possessions (North America), Liberia, and United States is 100; Denmark, Norway, and Sweden is 26.8; India is 36.6; German Empire, 23.8. The unit of value in the other nineteen countries varies for that of the countries given and with each other, viz, \$4.94; in Egypt, 4.8665; in England down to 19 cents. Now, my point is this: A dollar or other unit of value in any metal in any country is but a single item in the value of the standard measure coin of the world, the pound sterling at its bullion value.

Mr. TRENHOLM. That is so.

Mr. WALKER. I understand what you say is true, if that is so, how is it conceivable that the free coinage of silver could increase its value when it is impossible to-day to transact the business of the world except by the use of this pound sterling? Is it conceivable that the free coinage of silver in this country could in any sense increase the bullion value of silver?

Mr. TRENHOLM. I think the diversity in monetary units in the world is very much like the diversity of unit of linear measurement in the world. They are merely conveniences to which the population has become accustomed and by which they are able to carry about with them certain definite ideas. In the one case it is value and in the other a linear measurement. For instance the French have a system called "metric" and we have the English system of measurement. As long as the unit in each system is invariable all that is necessary to convert terms of one system into terms of the other is to consult a table of equivalents, and it is the same with coinages; anybody who desires to do so can know exactly how much money of our coinage is the equivalent of a given sum in any other of the established coinages.

The only time that any element of uncertainty or vagueness or fluctuation comes in is when currency of some country is not based upon a fixed standard; that is, a standard fixed in definite and precise relation with the world's commercial standard which under present conditions is gold and gold only. Any quantity of gold of a fineness fixed may be compared with any other quantity of gold of fixed fineness and their relative values will then be determined; hence it is easy to convert terms of one such currency into terms of any other.

Now, in the Argentine Republic the correspondence of the local currency with the world's standard has been lost through suspension of specie payments, so that prices fluctuate there very much as they fluctuated here while our gold payments were suspended; but where the value of money is fixed there is no such trouble.

MOVEMENT OF SILVER UNDER FREE COINAGE.

The CHAIRMAN. I believe that you stated that free coinage here would cause the bulk of our silver to go to India.

Mr. TRENHOLM. Yes, sir.

The CHAIRMAN. Then you do not believe that the free coinage of silver will cause a dumping of silver from other countries into this?

Mr. TRENHOLM. No, not unless it happens as it is supposed by some persons, it will happen that this free coinage should have the effect of raising the value of silver in this country up to the coinage ratio of silver with gold. If free coinage should not have the effect of making 412½ grains of silver really equal in value in this country to 25.8 grains of gold, then we will not get the silver of other countries. But, if in his country 412½ grains of silver are of more value than 412½ grains of

silver in any other country, then that elevation of the price of silver will bring here all the silver that possibly can get here.

Mr. TAYLOR. If the certificates that are issued on this silver are made payable in gold, would it not have that effect?

Mr. TRENHOLM. Undoubtedly. You can buy all the silver in the world with gold. Why? Because you are now buying all you will take at the rate of 480 grains of silver for 25.8 grains of gold, hence you can certainly buy all in sight at the rate of $412\frac{1}{2}$ grains of silver for 25.8 grains of gold.

Mr. BARTINE. Is it not a fact that the value of silver considered as bullion is substantially the same in all the bullion markets of the world at present.

Mr. TRENHOLM. Yes, with allowances for cost of transportation. There is a parity of prices, not an identity.

Mr. WALKER. Is not that true of all products?

Mr. TRENHOLM. Yes, sir; the price is always greater in the ultimate or last market.

Mr. BARTINE. Is it not the fact, generally speaking, with regard to silver, that the price of silver is substantially the same in London as the price of silver in New York, making allowance for the cost of transportation?

Mr. TRENHOLM. There is this difference—New York is a half-way house between the producing region and London, which may for the purposes of your question be considered the ultimate market of that product. Therefore, as the price of silver is higher in New York than it is in Denver, because otherwise no silver would come from Denver to New York, so the price of silver in London must be higher than in New York, as long as silver goes from New York to London. The only thing to stop silver going from New York to London is for the New York price to rise so near the London price, or above it, as that the difference in price will not pay the cost of transportation.

Mr. BARTINE. If it be the fact that the price of bullion is substantially the same in all bullion markets of the world, and supposing we raise the price of bullion in the New York market to 129 cents an ounce, does it not follow that the price of bullion would be 129 cents an ounce in London, in Paris, and in Vienna, and if so, why should it all come to New York?

Mr. TRENHOLM. While the price of cotton is substantially the same in all the markets of the world where it is dealt in, yet it is of least value at the plantation. It increases in value at every stage from the plantation until it reaches the mills where it is ultimately made into cloth. Some years ago, through a speculation in the New York Cotton Exchange, they raised the price of contracts for cotton so high that (as Mr. Hentz states) he imported cotton from Liverpool to New York in order to deliver it on those contracts, having sold the contracts in anticipation of that commercial transaction.

I think as long as commercial matters are left to regulate themselves according to the laws of trade, according to the natural laws that govern production, distribution, and consumption, it is undoubtedly true that all markets will arrange themselves on an ascending scale of prices adjusted to the continued flow of all things from points of production to points of consumption, but if you introduce an artificial force at one particular point on that line of progression by which the price at that point of any article is sent above what its natural level would be, you accelerate the flow to that point from all points of production and you stop the flow outward from that point to ultimate points of consumption,

and if you raise the price there high enough you set the current flowing backward as was done in cotton. If you raise the price of silver to 129 cents per ounce you would start a backward flow of silver from foreign countries here. That would raise the price of silver in those countries somewhat. It would never raise it to the height of 129 cents per ounce until we had demonstrated our capacity to take the entire stock of the world at that price, because as long as dealers in the article felt that somebody was going to be shut out they would always take something less at other points than would be equivalent to 129 cents, in order to be sure of selling here before our purchases cease. Great profits can be realized at much less than 129 cents.

In other words, 129 cents being the maximum price, the approach towards that price would be retarded by the number of people trying to effect sales. If you were a dealer in any article and the only certain buyer should say, "I will take a limited quantity of that article at not exceeding a certain price and I am going to advertise for bids" you would put in your bid at a less price than his maximum, unless you knew that the whole amount to be sold is less than what he had determined to buy.

We had that illustrated in the purchase of Government bonds when the Secretary of the Treasury was advertising for offers. There were then 900 millions of bonds of the two main classes out among the people, yet he did not have all the bonds of the country offered to him. He had only a limited amount offered. No limit was put on the price that he would pay, but sellers formed an idea of what others would be willing to sell at and those who were best able to sell cheap bid low, and he thus secured the lowest-priced bonds in the market. It is the reverse of selling at auction. If we pass a law which in the estimation of the bullion dealers of the world would carry the price of silver in this country to 129 it could not get to 129 cents unless we pay more than sellers ask, because there would be so many people in the world willing to sell to us at less than 129 cents.

Mr. TAYLOR. They have a fear that our gold would not hold out long enough?

Mr. BARTINE. But they would not sell for less than 129 cents when they could get that for it at the mint?

Mr. TRENHOLM. No; but only the man who brings it to our mint gets 129 cents. But we are speaking now of the market abroad. The bullion dealers of this country can get 129 cents from the mint, but a stranger can not get 129 cents from the mint, because he does not know the process of getting there. The farmer can not sell his wheat in London—he must sell to the middleman, and at less than the London price. The bullion dealers who can go with the bullion to the mint and get 129 cents will have their agents and buyers out in all parts of the world to buy all the silver that they can, for they will absolutely know that when it gets here they can sell it for 129 cents at the mint and they will buy it in every corner of the world for less than that.

Mr. WALKER. You are assuming in these remarks that gold does not go to a premium.

Mr. TRENHOLM. I am assuming that the United States has taken a contract to buy all of the silver in the world that can be had, delivered at our mints, at 129 cents an ounce and to pay for it in gold at $25\frac{8}{10}$ grains gold for each ounce.

Mr. BARTINE. Do you think that a fair assumption, in view of the fact that foreign nations are using all the time a vast amount of silver?

Mr. TRENHOLM. They are using it because they have not found a

suitable opportunity of getting rid of it. There is not a nation in Christendom using silver to-day that would not part with it if they could get what it cost them in gold. All silver coins in use in Europe cost in gold at least $15\frac{1}{2}$ ounces of silver to one ounce of gold.

Mr. BARTINE. About 133 cents an ounce?

Mr. TRENHOLM. They are poor countries, generally, and their Governments do not want to stand the loss of redeeming from their people the silver currency that is in circulation at the price at which it was put out to the people. Take France. It would produce a revolution in France if the Government should announce that the silver coinage in France was not to be held up to that value. It is holding its silver up as we are holding up our silver dollar by force of credit. It is held up by the Government and the Bank of France acting together. But if France could sell that silver to-morrow at the rate at which they bought it or at even a little less, say sixteen for one, so that they could substitute gold for the silver they are carrying, and thus make all the bank notes of the bank of France payable in gold, they would be glad to do it and would feel that they had escaped from a perilous position.

They have been caught with this decline of silver and have found the limit of their ability to stand up against it. They know about gold and they are not going to get burnt a second time with silver by trying to keep up a double standard.

VALUE OF GOLD.

Mr. BARTINE. How do they know about gold?

Mr. TRENHOLM. They have the testimony of history. They have the observation of the commerce of the world. There is not a country that holds to the gold basis that has been the least discommoded.

Mr. BARTINE. There is a good deal of difference of opinion on that point.

Mr. TRENHOLM. The countries that have a mixed coinage have been able to avoid trouble only by using their credit to keep their silver money up to the value in gold. They stopped coinage in the Latin countries long ago.

Mr. BARTINE. Do you think the value of gold is a natural value, or in any sense artificial, by reason of support given to it by making it the legal-tender money of the world?

Mr. TRENHOLM. That is an exceedingly difficult question to answer. I have thought about it a great deal, and I am not enabled to announce any conclusion on that subject. It depends very much upon what you take as a basis of the valuation of gold. Of course, if we assume that gold by the consensus of mankind has been made a standard of value, then you have to make a new basis of value if you want to appraise gold. It is like the old conceit of the world standing on the back of the tortoise, and you might use your imagination to fancy what the tortoise stands on.

Now practically the world has agreed on gold. The world may be wrong, but they have got the majority of votes on the question and they have agreed among themselves that gold is to be the general conventional standard of values. Simply because gold has been so agreed to, other things are said to rise and fall in value as measured by gold. It may not be so. It may be that wheat is the standard of value. We can not tell. At one time everybody in the world thought that this planet stood still and that the sun was swinging around it, but in the progress of science it was demonstrated that the sun stood still and the

world swung around the sun. A farmer might think that a bushel of wheat is the best unit of value, and when wheat sells up and down it shows that money is varying in value, and that is approximately true when farm products are sold in an unstable currency. But there is no doubt about the fact that if you take the consensus of all the commercial peoples of the world you will find that gold is regarded as the best standard now available. Through the experience of centuries mankind has hammered out the idea that in commercial matters they must have a conventional standard of values and they have adopted gold as such standard.

Mr. BARTINE. And that is the position you take, that it is a conventional standard?

Mr. TRENHOLM. Yes, sir.

Mr. BARTINE. You spoke of free coinage in Mexico not sustaining the value of silver. Do you, or do you not, make any distinction between free coinage in a country which is purely a silver using country and free coinage in a bimetallic country?

Mr. TRENHOLM. It depends on the conditions in which the two coins are made. If free coinage of silver is had under the present law, or rather if the present bill is passed, I see nothing in the law to raise the value of silver in the world. On the contrary, taking the present bill in connection with our condition in this country, with the vast amount of silver held here already, it seems to me that the passage of the bill, instead of increasing the value of silver in this country and in the world, will bring it down in value.

STATEMENT OF MR. ANDREW MILLS, OF NEW YORK CITY.

INVESTMENTS OF SAVINGS BANKS.

The CHAIRMAN. We are now ready to hear Mr. Mills.

Mr. MILLS. I have but a word to say. I have no argument to bring before your committee, further than you have already heard, but I simply want to enter a protest from our interest, which in New York is a large one. I represent the Savings Bank interest. It is needless for me in this presence to explain in detail the Savings Bank system in New York. There is no capital stock. Their entire assets, property and guarantee funds and earnings, belong to the depositors.

Mr. WALKER. What is the largest deposit you take.

Mr. MILLS. The largest deposit we take from a single individual is \$1,000. The Savings Banks of New York have a clientage of 1,200,000 depositors.

Mr. BARTINE. Where?

Mr. MILLS. In the State of New York, representing assets, according to the report of the bank superintendent, on January 1, 1890, of \$612,000,000. The institution over which I have the honor to preside has a deposit of \$17,000,000, with total assets of about \$19,000,000. That belongs to about 45,000 individuals. They are wage earnings of the mechanics, apprentices, shop girls, and shop keepers, and people who know of no investment but deposits in savings banks. We take the earnings as they are deposited with us, from \$1 upward, and we loan them on bonded mortgages and invest in the bonds of the United States and in the bonds of the different States and the bonds of the counties, cities, and towns of our own State.

We are restricted by a law, which is very conservative, and our in-

vestments are made so that we loan to the comparatively rich. When a man applies to us for a loan on a bonded mortgage he has got to have in real estate twice the value that he borrows, and we take a comparatively low rate of interest.

Mr. WALKER. What is the rate of interest on loans?

Mr. MILLS. About $4\frac{1}{2}$ per cent. on the average. You notice from the nature of our business that we must naturally be very conservative. We are ultra conservative, and any change of currency that has in our minds the element of danger is viewed by us with alarm. If this bill before your committee becomes a law we will have to take back for the loans we have made in gold a depreciated currency, which would be worth considerably less.

Now, as you know, we are not capitalized. The institution does not stand the loss, but it falls upon the depositors. Our contract is with them that we shall pay them back with bankable money. They can not demand gold dollars, but have got to take what we have to pay them. If this bill has this element of danger in it to the vast interest I represent I say that our alarm at its passage is justified, and I simply came before your committee to-day to add the weight of the protest of the savings banks of New York against the passage of the free-coinage bill.

I represent our bank, and the meeting from which we came was a mass meeting at Cooper Institute, the call for which was signed by the president of almost every savings bank in New York.

STATEMENT OF MR. LOUIS WINDMULLER.

The CHAIRMAN. We will now hear Mr. Windmuller.

Mr. WINDMULLER. I have been in business for 35 years. We deal with all countries in the world where they have silver, and other countries where they have silver and gold. I have a list which I will submit which shows the annual production of gold and silver in the world for the last 60 years, and the price of silver per ounce until 1888. The list is as follows:

Annual production of gold and silver in the world since 1831 and price of silver per ounce.

Year.	Silver.	Gold.	Price of silver per ounce.	Year.	Silver.	Gold.	Price of silver per ounce.
	<i>Kilograms.</i>	<i>Kilograms.</i>	<i>Cents.</i>		<i>Kilograms.</i>	<i>Kilograms.</i>	<i>Cents.</i>
831-1840.....	596,450	20,289	128-130	1881-1882.....	2,578,000	158,250	112
1841-1850.....	780,415	54,759	128-130	1883.....	2,895,320	143,940	110
1851-1855.....	886,155	197,515	131-133	1884.....	2,860,000	140,000	109
1856-1860.....	904,990	206,058	133-135	1885.....	2,954,766	156,103	106
1831-1865.....	1,101,150	198,207	132-133	1886.....	3,027,632	149,355	99
1866-1870.....	1,339,085	191,900	131-133	1887.....	2,990,398	159,155	97
1871-1875.....	1,969,425	170,675	123-131	1888.....	3,386,869	165,880	93
1876-1880.....	2,470,440	171,020	111-119	1889.....	3,880,839	182,308	.....

N. B.—One kilogram is equal to 15,432 $\frac{2}{5}$ grains; 5.760 grains make 1 Troy pound.

Since 1888 the price has fluctuated largely in consequence of our legislation. With constantly increasing production and accumulation, the price would have declined further without the interference of our Government. Gold has not increased in the same ratio. It is the measure of value recognized by all civilized nations—by England since 1816.

EFFECTS OF FREE COINAGE.

Our Government has purchased silver since 1878; it issued certificates against the accumulated coin, which will pass current the same as gold, as long as creditors can get gold or silver as they may elect. While the balance of our trade is in favor of this country, and the Treasury rich enough, it can continue to make such payments. From the moment we may be obliged to pay in silver, gold will command a premium. If this free-coinage bill passes, every owner of 80 cents' worth of silver would be entitled to a legal-tender dollar and a premium on gold would be established at once, as it was in 1861 when the legal-tender act passed.

The gold in the country, amounting to nearly 700 millions, would be withdrawn from circulation, become merchandise, and money would become scarce, so that a panic would be inevitable. As silver dollars can not be coined so rapidly as legal-tender notes were printed, it will take a long time before the millions of gold would be replaced by an equal amount in coined silver. Consequently money would remain dear for sometime to come. Debtors would find great difficulty to discharge their obligations, a result the very opposite of the one which they expect from this measure.

While it would be more difficult to borrow money and to earn it, the money so earned would be worth less, wages would decrease in value faster than they could increase in amount. Wage-earners would become the greatest sufferers. They would be obliged to pay more for their necessities, while they would not alone gain less, but their accumulated savings would be worth less.

The rich institutions which hold them for him would pay in a depreciated currency. They can take time by the forelock and prepare themselves.

The Bowery Savings Bank, the richest institution of its kind in New York, passed a resolution last week to lend money hereafter on bond and mortgage only, "principal and interest payable in gold." Farm mortgages have been issued throughout the West for sometime past containing the same clause.

Nobody would care to take securities the income from which would be paid in a depreciated and fluctuating medium.

This law would cripple the credit of our country, cripple our resources, and benefit nobody.

Mr. WALKER. Is not the price of each article bought or sold in the interior of every country made with reference to the value of the money paid for it measured in the gold pound sterling?

Mr. WINDMULLER. It is in fact. The apparent value, for instance, in India, where they have silver for a basis of circulation, does not fluctuate in accordance with the rate of exchange based on silver, but as a matter of fact the value of merchandise is governed by the actual gold value of it.

Mr. WALKER. Pound sterling.

Mr. WINDMULLER. Gold; which amounts, however, to the same thing.

Mr. BARTINE. I understand you to intimate that if we pass a free coinage law the banks of the country would make their contracts payable in gold. Do you think that would be the case?

Mr. WINDMULLER. I do not say the banks, I state the lenders of money.

Mr. BARTINE. I ask the question particularly because some of the

representatives of the banks that were here from Boston rather repudiated that idea, saying that they would have to do business in the currency of the country.

Mr. WINDMULLER. I think so, too.

Mr. BARTINE. Suppose money lenders, generally, were to enter into the plan of negotiating their loans payable in gold, the effect of that, in a measure, would be to keep gold in circulation, would it not?

Mr. WINDMULLER. I do not think so. Gold would still remain as if it were merchandise. During the war I made contracts often to import merchandise payable in gold. When I came to the people for payment and they did not have the gold to pay me, I charged them the premium.

Mr. BARTINE. That is, you made your contracts with them payable in gold or its equivalent.

Mr. WINDMULLER. Yes, sir; in gold or its equivalent.

RELATIVE PRODUCTION OF GOLD AND SILVER SINCE 1850.

Mr. WILLCOX. You state that silver has been produced to a greater extent than gold?

Mr. WINDMULLER. In a larger ratio.

Mr. WILLCOX. Suppose the ratio had been the other way and the production of gold had increased in a larger ratio than silver, should that have any influence upon the legislation upon this question?

Mr. WINDMULLER. It would have reversed the nature of values. At the time of gold discovery in California silver rose, because silver in proportion was more scarce than gold. The larger the production the less the value.

Mr. BARTINE. Do you know how the relative proportions of gold and silver stand now compared with the relative proportions of gold and silver in the year 1850?

Mr. WINDMULLER. In the whole world the stock of gold and silver in money value is about equal.

Mr. BARTINE. I am speaking of the volume or weight.

Mr. WINDMULLER. In volume silver is greater, but in value it is about equal.

Mr. BARTINE. How is the present proportion compared with the proportion of 40 years ago.

Mr. WINDMULLER. I have the production here.

Mr. BARTINE. Which has gained relatively since 1850 in aggregate bulk?

Mr. WINDMULLER. Silver.

Mr. BARTINE. Mulhall states that in 1850 the quantity of silver was 32 times as great as the quantity of gold; that is, the weight, and in 1885 it is only 19 times as much. In short, that the volume of gold has increased enormously (in weight) as compared with silver.

Mr. WALKER. Is not that rather against your case?

Mr. BARTINE. I will take the chances of that.

STATEMENT OF MR. AUGUSTUS HEALY, OF NEW YORK CITY.

The CHAIRMAN. You may proceed with what you wish to say, Mr. Healy.

Mr. HEALY. I am a merchant and manufacturer of leather and come here with the other gentlemen from the great meeting at Cooper Insti-

tute, which was a meeting not at all of gold bugs from Wall street but a meeting of the business men of New York. The call for this meeting was signed by merchants engaged in all kinds of trade and manufactures and in all forms of manufacturing, and without any exaggeration may be said to represent the almost unanimous sentiment of New York City.

COMMUNITY OF INTEREST BETWEEN NEW YORK AND THE COUNTRY.

While upon many of the questions that are brought before Congress the influence of the merchants of New York might be disregarded and not received with any particular weight, yet in a matter bearing so directly on the business interests of the country the opinion of the merchants centered in New York City and the interests there represented ought to be received by Congress with considerable weight, because New York not only represents the people who reside there and live there, but also the interests radiating from New York into every State of the Union. Some of our firms employing 100 men in the city of New York employ 250 men within 300 or 400 miles of New York, and many firms employ men in distant communities in a much greater proportion relative to the number employed in New York.

Mr. WALKER. In Chattanooga and all through the South?

Mr. HEALY. In Chattanooga and Tennessee, and in Maryland, in Pennsylvania very largely, and we therefore say that when we come to you and state that we represent in this matter practically the unanimous sentiment of New York we think our opinion on a matter of this kind ought to be received with some weight, and it is the opinion of the merchants of New York that the adoption of the free coinage bill now pending in this committee would, in the first place, drive gold out of circulation. That it would precipitate a financial panic, such as we have never seen in this country. Failure upon failure would ensue; manufactory after manufactory would be closed; men would be thrown out of employment, and an immense amount of distress and suffering would necessarily ensue. That would be the first effect.

INCONVENIENCE OF FLUCTUATING SILVER STANDARD.

The next effect would be the depreciation of the standard permanently, or as long as the system continued, and to reduce our standard to the bullion value of silver. That is to say, our dollars would then be worth about 80 cents of our present money. Not only that, but having got upon the basis of a standard silver dollar we would not be upon a permanent basis, but on a constantly fluctuating basis. It would be very difficult for us to make our calculations as to the future. We would not know in 6 months hence what might be the value of the dollar, whether less or more, and therefore the element of uncertainty.

Business ventures are made on narrow margins, sometimes on 1 or 2 or 3 per cent. The element of uncertainty in a matter of the standard of value would cause a very serious curtailment of enterprise and introduce an element of fear into the business calculations of our merchants throughout the country, which certainly would have a very disastrous effect upon the industries of the country at large.

One word upon the effect on our foreign trade. There would be introduced an element which would hamper us and make it very difficult for us to conduct our business operations. For instance, our firm is selling leather nearly every day in Massachusetts, in Maryland, in

England, and in Scandinavia. Our orders come to us in American money from all those points.

Mr. BARTINE. Then you do not get it in the pounds sterling?

Mr. HEALY. No, sir; in American sterling.

Mr. WALKER. Payments are made in pounds sterling drafts, though?

Mr. HEALY. We draw sterling exchange against them; but suppose we were on a silver basis; of course our prices would have to be made by the new dollar, in the standard silver dollar, and we would get orders from Massachusetts in the standard silver dollar; but when our orders came from England it would be impossible for them to make an offer in our new dollar, being no longer on a parity with gold, and a new element of speculation would be introduced immediately.

It would be necessary for us to translate the order that we might proceed from gold into silver, and we would have to keep constantly the track of gold (gold being at a premium), and it would be very difficult for them to make offers, they not knowing what the gold premium would be in this country.

And so our transactions with them would be no longer conducted on the simple and easy basis upon which they are now conducted. Now we can sell and receive and accept orders from England and Scandinavia as we can from Massachusetts. But the moment you introduce the element of a changing and shifting gold premium there is a difficulty which would hamper our trade with those countries very much. An offer would have to come cabled, an offer of so many cents, provided the rate of exchange is so and so, and if not, we can not accept the order, and we would have to cable back that we can not do that and take the chance of exchange the following day being this or that. So we could not conduct our business with the same certainty and sureness that we do now. As the leather goes from this country to England on a margin of 1 per cent., or $1\frac{1}{2}$ per cent., you can see that, so far as our business is concerned, the business would have to be changed.

Mr. BARTINE. During the time the French mint was open, do you know whether any such condition as that existed in the conduct of the trade between England and France?

Mr. HEALY. I do not know about that, but I can see what would be the effect here in such a complicated condition of affairs.

VALUE OF SILVER DOLLAR.

Now, in regard to domestic affairs. The silver dollar not having that steadiness of value which the gold dollar has, there would be a complicated condition of business transactions.

Mr. BARTINE. Would not the silver dollar have a steadiness in our domestic transactions?

Mr. HEALY. No, sir.

Mr. BARTINE. What would be our monetary basis on a free coinage of silver?

Mr. HEALY. It would be a standard dollar of $412\frac{1}{2}$ grains, but that $412\frac{1}{2}$ grains dollar would be changing constantly relative to gold.

Mr. BARTINE. How would it be relative to commodities?

Mr. HEALY. It would change relative to commodities. The production of silver has been very rapid, as Mr. Windmuller has stated here; that there has been a marked increased production of silver of every year over the previous year from 1831 to 1886, and another increased production of 15 per cent. for 1889 over 1888. If that is the case the

value of $412\frac{1}{2}$ grains of silver relatively not only to gold but to everything else will be falling. The value will fall relatively. We do not know what the future will be. The mines of Mexico and Australia and Ecuador produce largely of silver, and we may have perhaps an 80-cent dollar or perhaps a 70-cent dollar in two or three or four years hence.

Mr. WILCOX. Silver being made a legal tender, would it or not have a marked tendency in keeping up a steady increase in the production of silver?

Mr. HEALY. I think not. If we require constantly for our currency a large amount of silver, causing thereby a constant demand for that large amount of silver, it temporarily raises the price; but we could not use permanently a large enough amount of silver to affect the price any more than temporarily. Perhaps it would rise a few months and after that fall to its bullion value.

Mr. BARTINE. How do you account for the fact that a standard silver dollar weighing $412\frac{1}{2}$ grains is worth all the way from 15 to 20 or 25 cents more than a trade dollar weighing 420 grains?

Mr. HEALY. Because behind the standard dollar stands the great credit of this country. The people understand that it is the policy of the United States to maintain the two metals on a parity of value, and the minute the people generally lose the idea that the credit of the Government is behind the standard dollar you will see the premium on gold. In other words, you will see the standard silver dollar sink below its present value.

Mr. BARTINE. When from July last one of these dollars was worth 100 cents the world over, how do you account for the fact that the trade dollar was worth only 75 cents or 80 cents?

Mr. HEALY. I do not date the bestowal of this credit on the standard dollar merely since last July. The people have understood since 1878 that the policy of the Government was to keep the metals upon an equality of value, and in point of fact the United States Treasury has always paid out gold equal with silver.

Mr. BARTINE. Was there ever any obligation to pay a silver dollar in a gold dollar?

Mr. HEALY. No, but that is the value.

Mr. BARTINE. Have we not many millions of dollars of paper money that have kept on a par with gold and silver?

Mr. HEALY. Yes, sir; that has kept up like the standard dollar, as the greenbacks.

Mr. BARTINE. Is it not the fact that the value of paper money depended absolutely on the question of redemption?

Mr. HEALY. Yes, sir.

Mr. BARTINE. And is that so with the silver dollar?

Mr. HEALY. That was so with the silver dollar, too. I do not know that there was any express promise on the part of the Government to redeem the silver.

Mr. BARTINE. But there was such a promise on the part of the Government on the paper dollar?

Mr. HEALY. Yes.

Mr. BARTINE. Is there anything in the law that may be so construed as to make it obligatory on the Government to redeem a silver dollar with a gold dollar?

Mr. HEALY. Whether it is in the law or not (in the law of 1878) is not to the purpose. As long as the people of this country have believed that the United States would maintain the two dollars on an equality of value the silver dollar has been buoyed up.

Mr. BARTINE. Suppose the people of the United States believed that there ought to be free coinage, what effect would that have?

Mr. HEALY. If the people of the United States believed that there ought to be free coinage, and there is not enough bullion at present to be coined to upset that idea, it would still continue, but my motion is that that idea would very soon be driven out of their minds by the quantity of bullion.

Mr. BARTINE. But you people ought to be careful about your prophecies in view of past failures. Do you know about the relative stability of gold and silver in their purchasing power? Which has varied the most in its purchasing power?

Mr. HEALY. The silver certainly has. The gold has been always of a steady and uniform value, judging by all the evidence we have on the subject. Silver has fluctuated in value a good deal during the last year, not to go back of that, relative to gold. I do not suppose that anyone here would believe for a moment that it was gold that had changed.

GOLD, SILVER, COMMODITIES, AND WAGES.

Mr. BARTINE. Oh, yes; there are. [Laughter.] Let me state a hypothetical case to you and base a question upon it. Suppose it be the fact that to-day a gold dollar will purchase of commodities upon an average 40 per cent. more than it would in 1873, and that the silver in a silver dollar considered simply as bullion will purchase or exchange for substantially the same quantity of commodities as it would in 1873, what would be your judgment as to the relative stability of those two metals?

Mr. HEALY. I should not infer from that that silver remains stable and gold not.

Mr. BARTINE. Everything else changes, and gold stands still?

Mr. HEALY. Not exactly. Take the markets of the world generally and gold has been of a uniform value.

Mr. BARTINE. Measured in itself, of course.

Mr. HEALY. Yes, but in point of fact that is not true. Your hypothetical case is not true. The commodities have fluctuated very much since 1873, measured in gold. For instance, the commodities were generally lower in 1879 in gold than in 1873. They were lower in 1879 than 1890. Now if gold appreciated in value the commodities in 1890 would certainly have been lower than in 1879.

Mr. BARTINE. I do not wish to prolong this matter or to let the examination take the form of a controversy; but if you think there is nothing in my hypothetical case, let me suggest to you that you look over the tables of Soetbeer, Sauerbeck, "The Economist," Robert Giffen, and others, laid before the royal commission, which bear upon the question of the purchasing power of gold and its changes.

Mr. HEALY. There have been certain improvements made in monetary matters that reduced values.

Mr. WALKER. Are not wages now higher on the basis of gold values on an average than they formerly were?

Mr. HEALY. They are distinctly higher than they have been.

Mr. WALKER. Is it not a fact that the cost of all the staples after paying for the raw product has been depreciated in their selling price, not excepting agricultural products, by improved machinery and improved methods.

Mr. HEALY. Yes, sir.

Mr. WALKER. Is that not sufficient to account for the extra purchasing power of gold?

Mr. HEALY. It certainly accounts very largely for the reduction in price for commodities. If the processes of manufacturing have been improved, as they have been enormously during the last 2 or 3 years, it accounts for it. I have been told that in the manufacture of shoes they have a new machine nearly every year.

Mr. WALKER. Is it not a fact that the wage-workers throughout the country get in weight of gold to-day, if they take gold, which they have a right to take, from 33 to 50 per cent. more than they got in 1860?

Mr. HEALY. Yes, sir. The wages generally in gold are higher now than they were 10 or 15 years ago. It is certainly so in our business.

Mr. TAYLOR. What do you ascribe that to?

Mr. HEALY. To the general improvement in the condition of the working people. I think the working people of to-day are getting a larger share of the profits than they ever did before. Capital has accumulated so in the country that it has created a greater demand for labor.

The CHAIRMAN. Is not that partly due to the organization of labor?

Mr. HEALY. Yes, sir; and partly to the remarkable accumulation of capital.

The CHAIRMAN. Capital never surrenders anything to labor, as a rule, unless it is forced to, does it?

Mr. HEALY. No, sir.

The CHAIRMAN. That is, capital does not voluntarily advance wages as a rule, does it?

Mr. HEALY. No, sir; not as a rule.

STATEMENT OF ISIDOR STRAUS, OF NEW YORK CITY.

SERVICEABILITY OF BANKS.

The CHAIRMAN. We will now hear the next gentleman.

Mr. STRAUS. I am a merchant, and as such my interest lies entirely with the consumer, not with the banks or with the capitalists. In any fluctuation in the value of the yardstick of commerce, the gold dollar or its equivalent, the banker, the capitalist, and the merchant are amply able to take care of themselves, for from the nature of their calling they foresee to some extent the effect which developments may produce, and in commercial matters, as well as physical, to be forewarned is to be forearmed.

It is the laborer, the mechanic, and the farmer who are apt to be taken unawares, and hence they are the chief sufferers in the variance of any unit on which commerce is based.

In answer to the assertion that because predictions as to the disasters which were to follow the silver coinage act of 1878 were not verified anything that may emanate from the same sources on this question is not worthy of serious consideration, I submit that it is one thing for a single individual or nation to shape and manipulate resources to meet encroachments, the limits of which are well defined, and quite another thing to cope with the same factor in an unlimited form.

Confidence is the medium through which nine-tenths of the commerce of the world is transacted. Lack of confidence, not the lack of money, produces commercial crises. There is no more money in the country to-day than there was last November, and yet to-day it is a drug on the market at $2\frac{1}{2}$ per cent. per annum upon the same securities with which

it was difficult to command it at 180 per cent. in November last. So long as any one feels sure that a paper dollar or a silver dollar or a gold dollar are interchangeable at will no one discriminates between them, and, unless for export, any one prefers paper as the most convenient to carry.

There is no greater fallacy than that we in the East are gold bugs because we are capitalists. The capitalist is more frequently a borrower than a lender of money. He invests in real estate, in railroad stocks, in bonds, and in industrial enterprises, and promptly reinvests his income so as to make it productive as soon as possible.

It is the working classes who are the owners of the larger amount of ready money. They have their deposits in savings banks and in trust companies and in the life insurance companies. Take these moneys, and you have to a large extent probably two-thirds of all the loanable funds that the Eastern cities command. The clamor of more money can be better satisfied by establishing more banks than by giving an unlimited coinage of silver. In sections where there are no banks all transactions are made by actual cash transfers. In sections with small banking facilities the cash transfers are less, and as the banks increase the less cash is required to carry on commercial transactions until you reach a minimum, as in the city of New York, where with a daily average business through the clearing house of over \$100,000,000 the amount required to liquidate that from day to day is \$4,000,000 to \$4,500,000.

The CHAIRMAN. Do not the people moving up and down the city circulate money?

Mr. STRAUS. Of course people spend a certain amount of money out of pocket, but the amount of money spent out of pocket nowadays compared with what was spent 10 or 15 years ago is very much diminished, because it has become common, even with housewives, to keep bank accounts. Our present stock of ready money in the United States is as large per capita as it ever has been in the history of this country. There cannot be any question about not having money enough, but probably it is not properly distributed. Now, in order to distribute it properly, I claim that by extending the facilities for the establishment of banks throughout the country we obtain a medium which will be larger than can be obtained by any ordinary means of increasing the currency.

Mr. WALKER. Is there any device known to Christian civilization of making money so effective and most effective and most economical in its use as through banks?

Mr. STRAUS. I know nothing that is equal to it.

Mr. WALKER. Does not the establishment of every bank cheapen money?

Mr. STRAUS. Yes, sir; and I will make that clear.

Mr. WALKER. I did not ask the question of others before, and I think it well to get it in the record now.

Mr. STRAUS. If you go into the interior of the country the national banking law permits a bank to loan its funds to the extent of only keeping 15 per cent. in reserve. If you establish a new bank, with \$50,000 capital, and let that attract the money that has been carried around in the pockets of the people, it is safe to say that the bank will accumulate a deposit of \$200,000. The national banking law is not going to allow national banks to extend their operations broader than is consistent with safe banking. It will permit the lending out of \$170,000 of the

\$200,000. It permits the bank to keep a 15 per cent. reserve. Take the difference in any locality that has such a bank and the date when it did not have a bank. In transactions of \$50,000 in that community probably \$50,000 were required. Now, with this banking facility you can make a transaction of \$200,000 with \$30,000, and there is where, in my humble opinion, lies the remedy for those sections of country that have not money enough, for, according to statistics, we have as much per capita to-day as we ever had in this country.

Mr. VAUX. This two hundred thousand dollars' worth of business is done without money and upon credit?

Mr. STRAUS. Yes, sir; that is, \$30,000 in money and \$170,000 in credit.

Mr. VAUX. Then confidence is the basis of credit and credit takes the place of money, and when you take the per capita of money you find that we have as much to-day as ever. It is just like a blind man going through a house and not knowing where he is going. They have been talking of per capita all over the country here as if a fellow had it in his hat. I am so disgusted at them putting it in here every day as a part of a record of a scientific inquiry. I would like to know what per capita has got to do with credit. [Laughter.]

Mr. STRAUS. In New York we have transactions of over \$100,000,000 daily, and all the available money we have in the city of New York is about 100 millions, and we therefore have transactions every day to the full amount that the banks have in their vaults.

Mr. WILLIAMS. Do not these banks go where there is a call for them in the country?

Mr. STRAUS. They do not. Capital is conservative and capital stays where it sees not only a return but a safe return, and if the law were changed so that banking in these smaller towns were made more attractive as, for instance, by allowing them to issue notes for the par value of bonds, or removing the tax, if such a thing be possible—that is, to discriminate in favor of small localities—there would be more banks organized with \$50,000 capital in towns of less than 10,000 inhabitants than there are at present.

Mr. VAUX. Do you think it wise for the Government to tax State banks out of existence? They want to break up the rights of the States. They have done nearly everything in this line, and now they want to tax their banks.

Mr. BARTINE. Suppose, instead of having \$24 per capita we had \$50 per capita of currency, would that in any way interfere with the credit of the country?

Mr. STRAUS. I have just shown you that in New York we do our business with \$4,000,000 to \$4,500,000 a day.

Mr. BARTINE. Could you not go on extending credit if we had \$50 per capita?

Mr. STRAUS. I do not catch the drift of your question.

Mr. BARTINE. Instead of having fourteen hundred millions of currency in circulation in this country, suppose we had double that amount, would that interfere with the extension of credit?

Mr. WALKER. Yes.

Mr. BARTINE. I am not asking you. I want Mr. Straus to answer.

Mr. STRAUS. I am not prepared to answer that. I do not exactly understand the drift of it. If you would *in a day* double the money you would have to double the price of everything and every man's resources, which would be an inflation of values so that the purchasing power of a dollar would be considerably reduced.

Mr. BARTINE. Suppose instead of \$24 ahead we had only \$1, do you think we could extend the credit?

Mr. STRAUS. No; we can safely bank, as experience shows, with 25 per cent. reserve in large cities, and 15 per cent. reserve in small towns; beyond this it would not be prudent to venture.

Mr. VAUX. Suppose you had a \$100 per capita and had no confidence in each other?

Mr. STRAUS. No money would be loaned out, and modern civilization is expressed in credit instead of suspicion.

STATEMENT OF MR. HENRY HENTZ, OF NEW YORK CITY.

GOLD SPECULATION IN WAR TIMES.

The CHAIRMAN. As Mr. Hentz will not occupy more than 2 or 3 minutes, we will hear him before we adjourn.

Mr. HENTZ. I am a merchant in New York and have been in business there since 1856—a general merchant. I went through the panic of 1857 and all the commercial disturbances since. I was a purchaser of gold when it was \$1.07, and held it until it was about \$2.80. I was fortunate enough to get out of some of it about top. I mention that only to show how, as a young man, I feared losing my little all, and how I tried to and did protect myself. The Government undertook to stop speculating in gold by passing a bill on 1st July, 1864, closing the gold exchange. On the street the price advanced the first day from \$2.20 to \$2.85; the bill had to be repealed within 3 weeks.

Now, gentlemen, my coming down here and opposing the free coinage of silver may seem strange to you when I say I am a friend of silver. I am one of the first bimetallists, or perhaps the first bimetallist, in New York.

In 1876, being engaged in the exporting of cotton to Liverpool, the decline in silver attracted my attention. My friend, Mr. Samuel Smith, of Liverpool, who is now a member of Parliament, wrote many articles on silver, and made a bimetallist of me. I have been ridiculed for my ideas by many people, who told me we could not have two yard sticks. I said that it could be done by the concurrence of the nations of Europe and I still think so. I believe this country alone could not do it. It is like courting; you have got to go slow.

NECESSITY FOR INTERNATIONAL AGREEMENT.

I firmly believe that if we pass the free-coinage bill it is going to drive gold out of the country. I believe that if Europe finds that they can get gold here in exchange for silver, at the value of 129 cents per ounce, they will exchange it. They will have an opportunity of buying it back again at the same price unless the production of silver is going to peter out. I always like to go into a commercial operation where I see I can not lose. I believe that not much silver would come from the other side, because the moment it started, the Americans, as Mr. Windom said, would have all the gold out of the banks; but I will say this, that the agitation of free coinage is going to do good, provided you do not go any further. I think it shows the nations of Europe that we are in earnest. I also think, from my advices, that England and France are becoming more favorably disposed towards bimetalism.

I think if you go slow that in the course of a few years we will have

bimetallism, but if you pass the free-coinage bill you will never have it, simply because the gold countries on the other side will take all our gold, and, being so well supplied, will have no further interest in silver.

I have been told by people that you can not fix a proper ratio. It does not, in my opinion, make much difference what figure you fix it at, provided all agree to it. It is just like what the gentleman said as to the trade dollar, which contained more grains of silver than the Bland dollar, but was only worth about 75 cents.

Mr. BARTINE. What do you think of free coinage of the product of the American mines?

Mr. HENTZ. I do not think well of it, because you would kill bimetallism. I think the production of silver throughout the world is too much for one country to coin, but not too much for all.

Mr. BARTINE. Suppose we had free coinage in this country of the product of American mines, would not the probable effect of that be to relieve the bullion markets of Europe and have them generally come to par?

Mr. HENTZ. I think they would say we made a mistake, and would not pull our chestnuts out of the fire.

Mr. BARTINE. That would not be pulling our chestnuts out of the fire.

Mr. HENTZ. I think it would, because we would be committed to free coinage of American silver, and I do not think you help bimetallism, but you would help bimetallism by waiting.

Mr. TRACEY. What do you recommend?

Mr. HENTZ. I recommend to do nothing. I do not think there is any scarcity of money. The banks of New York have now twenty millions over their reserve. Money is plentiful at 4 per cent. If you gentlemen will only adjourn and go home and do nothing you will see that we will have abundance of money. All the statistics I have seen of the money per capita state that we had little less than a dollar per capita last year than we had at the maximum period a few years ago, and I do not see any necessity of having any more at present.

Mr. WILLCOX. You say you are opposed to the coining of the total product of American silver?

Mr. HENTZ. Yes, because it would check bimetallism.

Mr. WILLCOX. Does not the present bill consume more than that?

Mr. HENTZ. It is very nearly that. I suppose with what we use in the arts it is very nearly that, and therefore there is no necessity of passing another bill to apply to the American product alone. We do, under the present law, take pretty nearly all the silver produced by our mines. I hope to see silver become the world's money. Europe is seeing we are in earnest. When I made my first trip to Europe in 1860, they steered their steamships in a wheelhouse over the rudder. It required four men to pass the word to the man at the wheel how to steer out and in a harbor. I said, "Why don't you steer your ship forward; that is the proper way. Why not steer like the Americans do?" He said to me, "Oh that is a Yankee idea;" but now all the ships are steered as we have steered them with a wheelhouse near the bow. They followed us in that respect and they will follow us in this matter. They go slow.

Mr. VAUX. You think it better to steer this free coinage bill from the bow?

Mr. HENTZ. Yes, sir.

Mr. WALKER. I move that we do now adjourn to meet at 11 o'clock to-morrow morning, and that we then hear Mr. Warner, who must go away to-morrow.

Accordingly the committee adjourned, to meet again to-morrow morning at 11 o'clock.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Tuesday, February 17, 1891 (11 o'clock a. m.).

Committee met pursuant to adjournment.

Mr. WALKER. If the New York delegation does not object, Mr. A. J. Warner, of Ohio, will be heard.

Mr. TRENHOLM. We would be glad to hear Mr. Warner's views on the subject.

STATEMENT OF HON. A. J. WARNER, OF OHIO.

IMPORTANCE OF STABILITY OF MONEY.

Mr. WARNER. Mr. Chairman and gentlemen of the committee, I think it will be conceded that the quality in money which is of supreme importance, and in comparison with which all others sink into insignificance, is that of stability. A depreciated currency, or a currency undergoing depreciation, is certainly not desirable. Depreciation of a currency means a rise of prices. As one side of the balance goes down the other must go up. Value is a ratio between two or more things, and price is the expression of the ratio between commodities, or wealth, and money.

A currency that is undergoing depreciation is likely to result in over-speculation and engage more people in speculative enterprises and fewer in actual production, and I take it that the condition in any country which is most desirable is that which gives rise to the largest possible production—largest possible increase of wealth.

But, Mr. Chairman, that quality in money which is most objectionable of all, and which constitutes the worst kind of money, is that which is all the time undergoing appreciation. The appreciation of money means necessarily a constant fall of prices, and everybody who does business, carries on production, knows what it is to conduct a business or carry on manufacturing of any kind on a constantly falling market.

If the gold standard, or if gold money was, as has been claimed here and is so generally claimed, a stable money, fixed in its value, that would be the end of the question. If the pound sterling were a veritable money unit that was unchangeable, as stated here yesterday, that would be enough. It is very convenient to refer to a measure that is fixed. It is very convenient in our calculations to think of a money unit that does not change. In India the peasant looks upon the rupee as a measure that never changes. In France they look upon the 5-franc piece, or the franc, as a measure that never changes. In England and other places upon the pound sterling as an invariable measure. With us more commonly the dollar is taken as the unit that does not change.

GOLD STANDARD VARIABLE.

If that were only true, I say, there would be no room for discussion of the money question, but unfortunately that is not the case. Unfortunately gold is not a fixed standard; gold itself varies not only with

the quantity of the metal as compared with its use, but it is varied by the increase or decrease of other money that is put into use alongside of gold.

If there is any one thing upon which the writers on economic science agree, and on which the literature on the subject is a unit, it is that metallic money increased in purchasing power from 1810 to 1849 by more than 100 per cent. when the Spanish-American wars sealed the mines of Potosi and shut off the money supply from the western continent. There are gentlemen here who remember something of that period.

I say, too, that all writers on monetary science agree that during the period from 1849 to 1873 gold decreased in purchasing power, as indicated by a rise of prices of more than 50 per cent. as the result of the output of gold from the mines of California and Australia.

Again, there is a concurrence of testimony on all sides that from 1873 down to this hour gold has again been on the increase in value; that it has increased in value steadily from 1873 until now, until its purchasing power on the average is fully 50 per cent. greater than in 1873. An ounce of gold will buy to-day of all the great staples of the world, or of the wealth of the world, 50 per cent. more than it would in 1873.

Is the change in the goods, or is it in the measure, gold? I grant at once that in many things, changes have taken place in the relation of supply to demand, in consequence of improved methods of production; but the law of value is a simple one: Money being stable, any change in the relation between supply and demand, between the quantity of things and the demand for them, alters the price, and the cause of the change then is in the goods.

But, if at the same time, the measure itself is being changed, that is, money is itself undergoing a change, then you have the double effect of the change from increased production, or in the supply with the same demand, and the change in the measure also.

While in manufactured goods of many kinds there has been a change of the first character, affecting the relation of supply to demand, in all the great staples of the world there has been little or no change. There has been little change in the methods of producing wheat, or of corn, or tobacco or meat in the last 18 years. There has been no increase relative to population in the production of wheat, and yet the price of wheat has declined from \$1.42, the export price in 1873, to 87 cents last year, and the decline, though not exactly regular, has been continual.

More wheat was produced in 1882 and 1884 than last year. The 15,300,000 milch cows in the United States to-day will not exchange for as many ounces of gold as 10,300,000 would in 1873. Is the change in the cows or is it in the measure? Cows are not smaller and there are no more cows per capita, if my friend from Philadelphia (Mr. Vaux) will allow the expression. There are not as many as in 1873, and on the average it takes to-day 3 measures of wheat, 3 measures of corn, in short, 3 measures or 3 weights of all the great staples to obtain the same weight of gold that 2 measures would procure in 1873. And I say the change is in the measure and not in the products.

Mr. TAYLOR. Do you not know that a great many inventions for making butter accounts somewhat for the change in that commodity during the time referred to?

Mr. WARNER. There have been some changes in the making of butter or substitutes for butter, but a farmer told me that his cows had not grown smaller, that they were in fact bigger. But take all the great staples and my statement is true.

Now, is there a reason for the change that has taken place in gold? Let us see. The average production of gold and silver for the 10 years before 1873—gold and silver being then everywhere convertible into money—was \$165,000,000 per annum. The production of gold alone rose to one hundred and fifty millions for the world in 1866. It has declined from one hundred and fifty to a little more than 100 million now. In 1873 less than seventy-five millions of people on the earth were using gold or had the single gold standard. There was then no gold in Germany, none in Italy, none in circulation in the United States, none in Holland. These four countries from 1873 to 1881 took from the gold-using countries more than one thousand millions of the gold that previously had been used by the seventy-five millions of people. Sixty-five millions of people in the United States have been added to the gold standard countries, forty millions in Germany, thirty millions in Italy, ten millions in Holland. More than twice the number of people use the limited amount of gold to-day that used it in 1873.

Can you divide up a given amount of gold among twice as many people and make no change in its value? If the theory of intrinsic value were true, then it would make no difference whether there were 4,000 millions of gold in the world or 2,000 millions, or 1,000 millions—its value would be the same everywhere and at all times. It would not matter, then, whether there was 100 millions or only a single lump set up for a standard like a standard of weights or measures. But that would be absurd.

The value of gold depends on its quantity as compared with its use, like everything else. Moreover, during the period when there was a production of \$150,000,000 of gold, paper money was issued in France, in the United States, and in other countries, swelling the money volume. I have no time, however, to go into that question, but mention the fact to show that, while it is a convenient thing to refer to a pound sterling as a fixed measure, that it is not a fact. We may blind our eyes to it, but that does not change the truth. The truth is, during the 17 years since the demonetization of silver, prices have been constantly falling by reason of the appreciation of money.

CREDIT AND CURRENCY.

Take next the question of credit as a substitute for money. One of the gentlemen, Professor Taussig, from Boston who appeared before this committee stated, to my utter amazement, that the credit devices or credit implements that took the place of money were fifty times the volume of actual money. Mr. Atkinson, in order, I suppose, to be more accurate or scientifically correct, left himself a leeway by making it between thirty and fifty times. Fifty times the present volume of money would be 75,000 millions. Mr. Atkinson was not certain, however, whether this volume of credit is 75,000 millions or only 45,000 millions! He reserves a margin of 35,000 millions. A pretty good margin for a scientific estimation. But fortunately we have an exact measure of the volume of credit doing the work of money. It is not left to conjecture or to guess. What is it? The Comptroller's report for the year 1890 shows us what it is. The 3,546 national banks had, on October 2, money on deposit amounting to 289 millions, a little less than 300 millions of actual money—gold and silver, gold and silver certificates, bank notes and greenbacks. Out of that there was created a credit currency—bank credits—of nearly 1,600 millions—between \$5 and \$6 of credit to \$1

of actual money. So far as the national banks are concerned, that is the absolute limit of credit money, and checks are no addition to that volume of credit. The check itself is no more money than the pen with which it is written.

I will illustrate that a little further in a moment. The other 4,550 banks of the country which had deposits at that time in actual money of 185 millions had deposits subject to individual checks of about 1,100 millions of dollars. So that on less than 500 millions of money in the vaults of the banks there was created a credit structure, in the form of deposits subject to check, all pure credit, except the 500 millions of actual money, of 2,700 millions.

Now, suppose there were substituted in place of this bank credit 2,200 millions of money and the credit devices all canceled, then would checks have added anything? What would the check be then? Simply an order to transfer money from A to B. No more money itself than a verbal order to transfer money from A to B would be; no more money than a street-car ticket, or a theater ticket, or a telegraph order to transfer to A or B such an amount of money. No doubt this credit currency, or bank credit, performs the work of exchange the same as currency, so far as it goes. But it must not be concluded that the efficiency of these 2,700 millions of credit is equal to the efficiency of a like amount of money in circulation among the people. It is money between but a few. It exists to-day and to-morrow it is canceled. Its efficiency, as compared with actual money, is difficult to determine.

But the point I make, and I challenge contradiction, is that the absolute limit of the structure of credit that performs the work of money is this volume of bank credit. It is what is subject to check, and that only, for no one has a right to draw a check unless he has either money on deposit or a credit on the books of the bank. Checks make the creation of bank credits possible, but they are not themselves money and do not otherwise add to the volume of money.

Savings banks and trust companies come under a different head. I quite agree that they are among the wisest and best of modern financial institutions. The savings banks and trust companies where the wage-earner can deposit his savings and have them thus gathered in heaps to loan out on large enterprises is a great benefit. Our savings banks, too, as a rule, are in the keeping of prudent and safe men. They invest the deposits in mortgage securities and in the bonds of States and municipalities and in various ways, not, of course, expecting it to be checked out the day it is put in. Some portion of it is there subject to check, and that I have included in the volume of credit money.

Let me direct attention to the way this credit money is created. It is a collection of individual credits. I get a note discounted at the bank. Credit is given me on the books of the bank. There may be two or three names on the note, and our banks are generally discreet and prudent in that respect, but this whole credit structure has just that foundation outside of the actual cash reserves.

This volume of credit may be fitly designated confidence money. It is said all we want is confidence. Of course behind this credit structure is wealth, but the creation consists purely of credit created in that unsubstantial way, and is limited in volume only by the limit of the money in reserve.

Now I ask any gentleman here from New York acquainted with the banking business if 100 millions of the 500 millions of actual money could be withdrawn from the banks without the collapse of this whole structure of credit? The withdrawal of 100 millions out of 500 mil-

lions means the withdrawal of 600 millions of the credit money. Could you withdraw 100, or 200, or 300 millions of your deposits and still have a credit structure of 2,700 millions? If that could be done then why was there a money stringency in New York recently? Checks could still be drawn if that were all. But a foreign banking house that had nothing to do primarily, with our business here, having created a volume of credit larger than ours, and on a narrower foundation of gold, when the Czar of Russia, fearing that the credit structure was not safe, withdrew 30 millions of gold, it necessitated the reduction of 200 or 300 millions of credit. The Bank of England went to France for help and our securities came home to be sold and money was withdrawn from the banks here, and the 500 millions of money which constituted the basis of \$2,700,000,000 of credit was reduced, I do not know how much. If the Secretary of the Treasury had not come forward with 75 millions to put in place of that withdrawn, and thereby to prevent the collapse of credit, there would have been a panic in this country such as we have not seen for a long time.

In this credit structure is the source of all money panics. Here is the storm center whence financial disasters come. They originate there. Yet I am not attacking this system of credit, but only argue that it should be better guarded and that it should have placed under it a broader foundation of actual money than it now has.

The basis of gold has been narrowing for 17 years. At the same time it has been extended into new countries—into South America, into Africa, and into Egypt, and everywhere. The basis is narrowing constantly while the credit structure is growing larger. Is that to go on indefinitely, and is that, as we were told yesterday by one of the gentlemen from New York, to be the future source of money supply in the United States?

In what does this credit currency differ from the wildcat, the red dog, and swamp angel money of 50 years ago, issued in the West? If you have confidence, they say, it is as good as anything else, but as my friend, Mr. Newlands, suggested yesterday, if you would only make confidence a legal tender it might do, or if you should go a step farther and carry out the suggestion once made in a South Carolina legislature that he who refused to take the money at that time issued by State banks should be shot on the spot, it might work better still. If you will make confidence a legal tender and print it on good paper and provide that whoever allows his confidence to waver shall be shot on the spot, you may make it stand the test. But I am not suggesting such extreme measures. My friend, Mr. Trenholm, says such a proposition was never made in South Carolina. I did not say that it was an act of the legislature, but somebody made such a proposition.

Mr. VAUX. You do not hold the legislature responsible for that?

Mr. WARNER. O, no; it only illustrates the unsubstantial nature of such a structure of credit.

The proposition comes to this, that we shall submit the creation of the money of this country to the banks, that they shall provide it and all we have to do is to have confidence in it. I submit, however, that there is no danger of loss of confidence when there is good ground for confidence. What we want is to have it made clear that there is reason for confidence; that there is safety; that the credit structure is not greater than is safe to erect upon the amount of money it is based on, and then there will be confidence; and you can not secure confidence on any other basis.

And let me say that in this matter of credit we have gone to the extreme limit of safety, and that the limit in Great Britain has been passed, which Mr. Goshen virtually admits in a recent address. It would be almost criminal in my judgment to extend it further.

Are we to subject all the industries of the United States to the fluctuations of a volume of credit of this kind that may be shaken by the collapse of some house abroad, as did the failure of the Baring Bros.? Are we to be brought to a standstill every few years by the breaking down of this credit structure? I have said there are 500 millions of money in the banks out of which this structure of credit grows. There are 1,000 millions in the hands of the people which pays the 200 millions of weekly wages to the laborer and effects all the other exchanges not done through the banks. There was no want of confidence in this money, nor in the \$500,000,000 in the banks. But 100 millions withdrawn from the banks meant a collapse of 500 or 600 millions of credit, and when this shock came the stocks of the United States fell six hundred millions of dollars. The cause and sole cause of this shrinkage was the collapse of credit. One hundred millions withdrawn from the banks meant a collapse of 500 or 600 millions of credit.

But they tell us we must not discuss this question, that it will destroy confidence. I want a money system that we will not be obliged to speak of in undertones or whispers.

Before the act of 1873 every man in the United States had recourse under the Constitution to both gold and silver for money, and was not obliged to go to the banks for all the money. That is a Constitutional right, and I believe it was in violation of the Constitution of the United States that this right was taken away in 1873.

Every man had the right to take silver or gold to the mint and have it stamped for him. That was bimetallism. Everybody had the right to have recourse to these metals. They were set apart from everything else in the world and held as money metals, the supply depending on the mines, and not on banks or legislation.

Banks are a necessity of modern civilization, and I believe in credit. Credit is capital that goes a long way, but its limitations are necessarily fixed by the money it is based on, and it must not be permitted to extend itself to the dangerous limits it has heretofore gone. We propose, in the restoration of silver, to broaden the basis; to take down the upper story of this top-heavy system of credit and put under it a broader foundation of primary money—money that needs no redemption and that will stand financial shocks.

Do you think the depositors in the savings banks would suffer by that? Where is their danger now? Their danger is in too much of this unsubstantial kind of money, and not in too much gold and silver. Take away 500 millions of credit from the top and put 500 millions of silver under the bottom of our money system and you would not change the value of a unit, but you would have a far more substantial structure.

I was asked why interest was 180 per cent. 2 months ago and is now 2 per cent. It is plain enough. Parties in New York had borrowed this confidence money and when the collapse came, where there had been 2,700 millions there were only 2,000 millions, not enough to go round, and in a scramble like that they would pay for the time being any rate of interest. It was the drowning man catching at straws. Why is interest 2 per cent. now? The collapse of credit has brought everything to a standstill and prices have fallen. What does one want to borrow money for at 2 per cent. to invest in property that is going down?

COMMODITIES, WAGES, AND MONEYS.

But the rate of interest is not the test of the value of money. I want to know what it takes to buy money, not to borrow it. Does it take less wheat or cotton or corn or meat or less of goods of any kind to buy money now than 6 weeks ago? It takes more on the average. Money has not fallen in value, it has risen. If my friend will consult the tables he will find that every year since 1873 and closing with December, 1890, the index number, according to the London Economist, has sunk lower.

I have been asked about the wages of labor. There are 22 millions of laborers in the United States. The wages of some 4 or 5 millions have increased. They have increased largely by reason of labor organizations.

Mr. WALKER. What do they average a year?

Mr. WARNER. The total production of the United States is about 15,000 millions to be divided between capital and labor, and there are no statistics that enable us to tell how much the great mass of laborers in the United States receive. The agricultural class has been receiving less and less every year for their labor since 1873.

Mr. WALKER. Would they not average \$200 a year?

Mr. WARNER. How these 15,000 millions are divided I do not know. Probably they would. It is very difficult to tell. I suppose probably of the whole five thousand goes to labor and ten or eleven thousand to capital.

Mr. WALKER. Would they not average \$4 or \$5 a week?

Mr. WARNER. The farmers now would not average that. The only way to increase wages in the aggregate is to increase products. If instead of 15,000 millions we produced 18,000 millions the difference would be divided between capital and labor, and labor would of course get more. Because of appreciated money our industries are stagnated, as Professor Walker stated in his recent address in this city, and when our industries are stagnant labor and capital both get less. You can not make more out of it than there is for both. Professor Walker said that the term strangulation was not too strong to apply to the situation where money was constantly appreciating.

NO FLOOD OF SILVER.

We are told that free coinage of silver would immediately drive out gold; that it would open a market here to all the stocks of silver in the world. Mr. Hewitt said there are 6,000 or 7,000 millions of ounces stored away in the arts or as money, and that it was all worth now only \$1.05 an ounce, and that if we declared it to be worth \$1.29 an ounce that all this silver would immediately set out for the United States.

That would include, of course, all the silver in the arts. But that reasoning to me is just as absurd as it would be to say that if firewood went up 50 cents a cord Pullman cars would all go into kindling wood. The great value of silver in the arts is due to the immense labor that has been put on it. We may, therefore, dismiss from consideration all the silver in the arts, or, at any rate, the great bulk of it.

In Europe there are 1,100 millions of coined silver. I do not know how much in Asia, but a gentleman wrote me this morning from Boston asking if it would be true, if free coinage were established, that 900 millions of silver would immediately be sent from India to the United States to our mints. Now, all the coined silver of the far East and of Europe is upheld to-day at the level of gold at a ratio

of 15 and $15\frac{1}{2}$ to 1, or from $3\frac{1}{2}$ to 7 per cent. higher than our ratio. Fifteen to one is the ratio in India with free coinage and open mints at Calcutta and Bombay, and it is nonsense to talk of that silver coming here. Will merchants bring the coined silver of Europe to the United States to be coined into our dollars on the ratio of 16 to 1, when its ratio there is $15\frac{1}{2}$ to 1. They pay the same debts there that gold will, and they circulate on a level with gold. It was said here yesterday that France maintained her silver coin at a parity with gold because she—

GOLD AND SILVER IN INDIA.

Mr. WARNER (of New York). How much gold is there coined in the India mints?

Mr. WARNER. For the last fifteen years an average of 40 to 45 millions have gone to India. The balance of trade between India and Europe is about 80 millions in favor of India.

Mr. WARNER (of New York). I asked how much gold was coined in India per annum.

Mr. WARNER. No gold is coined there.

Mr. WARNER (of New York). How much gold goes there per annum?

Mr. WARNER. Two hundred millions in not a long time have gone there.

Mr. WARNER (of New York). How long?

Mr. WARNER. I have not tables with me, but I think in the last 15 or 20 years—

Mr. WARNER (of New York). How much silver?

Mr. WARNER. An average of about 40 millions per annum.

Mr. WARNER (of New York). How much gold came back from there?

Mr. WARNER. Very little and no silver rupees came back. Gold is not money there. It is not coined at all, and rupees are coined on the ratio of 15 to 1. Why did not the silver coins of France go to India?

Mr. CARTER. I understand you to say that for a long time the balance of trade has been in favor of India each year in its transactions with Europe, and that it amounts to about 80 millions.

Mr. WARNER. Yes, sir; the balance due India.

Mr. WILLCOX. If the disposition existed in Europe to settle these balances wholly in silver, Europe might do that at a better profit than shipping to this country?

Mr. WARNER. Yes, sir; of course. If the balance of trade in favor of India were large enough to absorb all the production of silver, if she had power enough in the commercial world, all the silver would go there.

Mr. CARTER. Then Europe merely avails herself of the opportunity to dispose of her silver to the extent of about 40,000,000 ounces in settling the balance with India each year?

Mr. WARNER. They do not melt up their coins for that, because they are worth more than silver bullion. If there were any disposition to melt the silver they would certainly send it to India, and not to the United States.

EFFECT OF WITHDRAWAL OF GOLD.

They say that if this bill should pass it opens the door to all this foreign silver and it will result in a contraction of the volume of money in this country from 1,500 millions to 900 millions, and I believe my friend from New York yesterday argued that the reduction would even

be much below that. Suppose what these gentlemen say should take place; that as soon as a free-coinage bill is signed by the President, gold would go to a premium and be taken out of circulation as money. It is agreed that our money volume consists substantially of 600 millions of gold, 450 millions of silver, and 450 millions of paper—1,500 millions in all. They say free coinage would immediately take out 600 millions and we would have left only 900 millions, and then these gentlemen tell you that the 900 millions would be depreciated as compared with the 1,500 millions the day before. When you can make a bushel measure smaller and have it hold more at the same time you can do that. But there never was a time in any country in the world that such was the case. It is a violation of every law that a contracted volume of money should be depreciated. If the money volume was reduced from 1,500 to 900 millions, the 900 would appreciate, not depreciate. That is, money would rise and prices fall.

Would a dollar of a volume of 900 millions be worth less than a dollar of a volume of 1,500 millions? I say that can not be. That can not take place. The money that would appreciate would be the smaller volume. Why? The 1,500 millions, under the well-known law of money—and if there is anything settled in economic science it is that a currency convertible into metallic money obeys the same law as to its distribution among the nations of the world that a metallic money would obey——

Mr. WALKER. There has been no opportunity to freely ask questions of a single advocate of free coinage. The gentlemen who have come here to advocate free coinage of silver have not been afforded an opportunity or have practically refused to answer questions, while on the other hand the gentlemen who have come here to oppose free coinage have had ample time, and have manifested a desire to answer questions. Do you not think after all the hearings we have had on this subject, that we had better now ask you questions and get your ideas?

Mr. BARTINE. Mr. Trenholm asked permission to make a statement of facts bearing on some statements that Mr. Warner made. I think it better to allow Mr. Trenholm to make that statement now so that Mr. Warner may hear it, because if he makes it after Mr. Warner leaves the latter gentleman would have no opportunity to answer it.

Mr. TRENHOLM. I ask simply that Mr. Warner have an opportunity to explain what is an undoubted fact.

Mr. WALKER. The gentleman will please do it as briefly as possible.

Mr. TRENHOLM. During the late war the Confederate States issued one kind of money, and that was treasury notes of the Confederate States, and in the spring of 1864——

Mr. WALKER (interposing). But he is talking of coin money.

Mr. TRENHOLM. I understood the gentleman's proposition to be that no currency—no money that was diminished in volume could have a less purchasing power than it had before it was reduced in volume.

Mr. WARNER. It must be money—money that has general acceptance everywhere in discharge of obligations throughout the country.

Mr. TRENHOLM. That is a different thing.

Mr. VAUX. The Confederate notes were confidence money.

Mr. WARNER. Yes. I was saying that with primary money there never was a time when the volume in a country could be reduced at once one-third and have the remaining two-thirds depreciate. I was giving the reason why a convertible currency obeys the same laws as a purely metallic money. Each country will have its distributive share under the laws of trade. Fifteen hundred millions fall to us at present

as our distributive share of the world's money necessary to maintain the equilibrium of prices between the United States and other countries.

CONSUMPTION OF SILVER.

Now, what would be the effect of free coinage of silver on gold? Let us deal first with the world's production of silver, for unless foreign nations first demonetized their coins these could not come here. We have a production of say, 120,000,000 or 130,000,000 ounces, if you please. The arts consume not less than thirty million dollars worth of silver, so that there is left at any rate not more than 120 or 125 millions of the world's production of silver for money for the whole world. There will be 2,000,000 more people in the United States a year hence than now.

Mr. WARNER (of New York). What proportion of silver is used in the arts, is your idea?

Mr. WARNER. Say about thirty million dollars' worth are used in the arts. But, as I was saying, there will be in a year 500,000 more workers, more laborers here than now. Are they to have no more money, and if so, whence is it to come? Wealth increases at the rate of $3\frac{1}{2}$ per cent. in this country and population at the rate of nearly 3 per cent. That will call for at least 50 millions of new money. The national-bank notes are being retired at the rate of from 25 to 30 millions a year. What is to take their place, for unless some other money is put in their place there will be a money stringency followed by stagnation in all industries; for stagnation of industries always follows a stringency of money. We will have to coin then at least 50 millions for the increasing population and 25 or 30 millions to take the place of the retired bank notes.

Mr. VAUX. How much silver is coined under the present law?

Mr. WARNER. Fifty-four million ounces a year; and \$75,000,000 is required to maintain the present ratio of money to populational and business and replace bank notes. If in addition to this 75 millions we should issue 600 millions of paper or should coin \$600,000,000 in silver, it would undoubtedly displace that much gold. Afterwards gold might go to a premium, but not until then. That, I say, is the accepted doctrine of money. Now, where is 600 millions of extra silver to come from? Then is Asia to take no more silver? Will all that is produced come here?

AMERICAN INDEPENDENCE IN COMMERCIAL AFFAIRS.

Men talk as though we were colonies yet, and were dependent upon England for our financial system and our money. We have more miles of railroad than the entire Eastern continent. We accumulate twice as much wealth in a year as England, France, and Germany put together. Our accumulation, if it continues as it has been doing, will soon be more than twice that of these three nations combined.

Our population before 1896 will equal the population of both England and France. Probably in less than 30 years it will equal that of England, France, and Germany. Are we always to go to the credit shops abroad for our capital? I think it is time that we made a financial declaration of independence. It ought to be for the United States to say in what the balance of trade due to her shall be paid, and not what she shall pay to other countries. The people demand the restoration of their right to have recourse to the two precious metals for money. I hold that to be a constitutional right, and that it was a fraud upon this country to strike silver from our monetary system. I think

every man has a right to have recourse to these two metals, and not be compelled to go to the bank for all the money he is allowed to have. By what principles are banks governed? They are governed by their own interest, and that only, regardless of whether what they create is stable money or not. The question with them is what can they make out of it? When they loan money they want the highest profit they can make, and there is where their interest lies. I am not blaming them, but I do object to subordinating the interest of all the people of the United States to the interest of the bankers alone. I am much obliged to the committee for their patient attention, and I shall be pleased to answer any question that may be asked.

Mr. WILCOX. How are we going to continue our commercial relations unless we settle our balances at the standard as regulated in London?

Mr. WARNER. There is no difficulty in continuing settlements in pounds sterling for the small balance of trade which arises and which amounts to a small percentage of the total trade and business of the country. There will be no trouble even if we are to come to a purely silver basis, which I do not believe. If we come to a currency worth less than gold it would be like counting wheat by bushels rather than by quarters.

Mr. WALKER. Then you do not object to having a depreciated currency?

Mr. WARNER. A currency that is undergoing depreciation is not good money, but it is a mistake to say that gold is unchangeable and silver is alone changeable.

Mr. WALKER. That takes up time; that has been gone over before.

Mr. WARNER. Yes, but it is an important matter nevertheless. To restore silver will diminish the value of gold. The two will come together and meet somewhere between the present level of each. I hold that the United States has power enough in the commercial world to maintain the parity of the two metals.

Mr. BLAND. Is it not a pretty well settled principle of political economy, taking India, for instance, as an example, where silver is worth more than it is in Great Britain, that instead of settling her balances in gold, she has settled them in commodities?

GOLD AND SILVER STANDARDS AND ACT OF 1834.

Mr. WARNER. Yes, it is a question of balances in the end, and balances of trade are in our favor and are likely to remain so.

Mr. WALKER. How long have we been upon a gold basis? In your answer be as brief as possible.

Mr. WARNER. Since the act of resumption in 1879 we have been on what is usually termed the gold basis, but, strictly speaking, we have never been on a purely gold standard.

Mr. WALKER. That is an answer.

Mr. WARNER. The coins of the two metals have been on a parity since 1879.

Mr. WALKER. Have not we been on a gold basis since 1834?

Mr. WARNER. I do not understand that we have been. In 1834 the ratio by mistake was changed from 15 to 1 to 16 to 1.

Mr. WALKER. What do you mean by the word "mistake?"

Mr. WARNER. I mean making it 16 to 1.

Mr. WALKER. You don't mean it was a political mistake?

Mr. WARNER. No; that it was a mistake in the ratio.

Mr. WALKER. Is it not a fact that all the gold went to Europe all the time up to 1834 and we had only silver, and that since 1834 our silver became merchandise?

Mr. WARNER. You state correctly that from 1793 to 1834 our gold mostly went away. We underestimated one and overestimated the other. In 1834 the ratio was changed and then silver went away. From 1793 to 1857 foreign coins were, however, legal tender in the United States.

Mr. WALKER. I asked you simply if the fact of our undervaluing silver up to 1834 and overvaluing gold did not practically give us a silver standard up to 1834?

Mr. WARNER. Not a silver standard. It gave us mostly silver money, which is not the same thing as a single silver standard.

Mr. WALKER. Were not payments made mainly in silver up to 1834?

Mr. WARNER. Yes; they were made mainly in silver. Some foreign gold circulated, but not much. But both gold and silver were potentially money throughout the country.

PURCHASING POWER OF PRODUCTS.

Mr. WALKER. I will ask you whether all trade is not ultimately product for product?

Mr. WARNER. Yes, all trade is practically product for product except where the balances are settled in money.

Mr. WALKER. Is it not a fact that in 1873 neither gold nor silver circulated as money in this country? They were both held at a premium, so that we had no coin money in use in 1873 when this law passed?

Mr. WARNER. Yes, sir; there was no coin in the country. We were preparing for resumption, presumably on the two metals and not upon one alone.

Mr. WALKER. Do you know whether or not it is a fact that the farmer buys his family supplies? The farmer does not eat his raw hides nor his raw wool. They are sold and he buys other things to eat and live upon, as all other men do. Do you know what the cost of the supply was to a family of four persons from 1873 to 1889 at the currency price? Figures which are from official public documents show that such supplies cost \$182.53 in 1873 and \$125.28 in 1889.

Mr. WARNER. Prices fell 33 per cent. and money rose 50 per cent.

Mr. WALKER. The same supplies costing \$182.53 in 1873 cost in 1889 \$125.28. Now, if trade is product for product, the farmer's product of a bushel of wheat or corn will buy more now than it did in 1873, and why is not that the best condition for the farmer?

Mr. WARNER. Undoubtedly there is no difference where the trade is product for product, if things fall about the same. So far as that goes, it makes but little difference. But suppose the farmer bought his farm on credit, he must pay the same number of dollars when wheat is worth \$1 that it took when wheat was worth \$2.

OWNERSHIP OF INDEBTEDNESS.

Mr. WALKER. You have said that several times. How much is the indebtedness of this country, I mean the corporation indebtedness? What is the funded debt of railroads, for instance?

Mr. WARNER. The funded debt of railroads, my recollection is, is not far from 4,000 millions of dollars.

Mr. WALKER. The total is 5,000 millions of dollars. Have you an idea of what the indebtedness on farms is?

Mr. WARNER. I had a slip of paper in my pocket that gave the indebtedness, but I thought it was too large and unreliable.

Mr. WALKER. It is about \$1,000,000,000.

Mr. WARNER. I do not suppose it is very far from \$1,000,000,000 but it has been put much higher, as high as three thousand.

Mr. WALKER. Well, no one believes it is over a billion. Who ultimately owns that indebtedness?

Mr. WARNER. Whoever owns it the farmer has it to pay.

Mr. WALKER. Who really holds the mortgage when you come clear back to the person who primarily furnished the money? Is it not owned by the savings banks?

Mr. WARNER. The savings banks and trust companies probably own it quite largely.

Mr. WALKER. Is not the capital in the savings banks mainly owned by poor people?

Mr. WARNER. A portion of the savings of the people is in the savings banks.

Mr. WALKER. Is not 90 per cent. of this capital in those banks thus owned?

Mr. WARNER. I doubt if 90 per cent. of the loans to farmers are from savings banks or trust companies.

Mr. WALKER. The savings banks own the stock in the discount banks as a general thing.

Mr. WARNER. It would be a guess all the way through. Right there, the stable money——

Mr. WALKER. You have forced that upon us several times. The parity of gold at any time since 1880——

Mr. WARNER. I have said gold changes in value. Gold has been replaced largely by credit, the creation of the banks.

Mr. TAYLOR. How would it do to reduce the gold volume?

Mr. WARNER. I do not believe that is necessary. I believe the United States has power enough to maintain the parity of the two metals. That would be bimetallism.

PURCHASING POWER OF PRODUCTS.

Mr. WALKER. The farmer using and purchasing supplies for a family of four, in 1873, by figures that are reliable, show that it took 764 bushels of oats to purchase as much in 1873 as 520 bushels will buy to-day, and when you take wheat, in 1873, 178 bushels purchased exactly as much as 139 bushels will buy to-day.

Mr. WARNER. I think the farmer would rather be permitted to make the exchange at the old rates.

Mr. WALKER. As to corn, 536 bushels in 1873 would only purchase what 391 bushels will buy to-day. Is it not true that the condition of the farmer has changed very much for the better in the amount his productions will buy?

Mr. WARNER. So long as what he buys has fallen, and what he sells has fallen, but what remains will not pay the same mortgage.

Mr. WALKER. You said that two or three times.

Mr. BLAND. He is robbed both ways.

Mr. VAUX. He seems to like it.

Mr. WALKER. In buying one-horse mowing machines for the price he now pays, he would have to give 61.6 bushels to-day, whereas in 1873 he had to give 83.3 bushels.

Mr. WARNER. I do not know whether the figures are correct or not. I distrust statistics made up at random or to order. At all events, I do not see that it changes the argument.

Mr. WALKER. These are not made up at random; they are official, from the Bureau of Agriculture. When it comes to buying a binder it took 277.7 bushels in 1873 and now it takes only 184.9 bushels to pay for a machine. It took 769.2 bushels of corn in 1873 and now 421.8 bushels. Of oats, 857 bushels in 1873, and now only 562.5 bushels.

Mr. WARNER. And still he can not pay the interest on his debts with the same quantity of products.

Mr. WALKER. You justify the depreciation of every man's wages because he can pay his mortgage easier?

Mr. WARNER. I have said that the best quality money can have is stability, but the worst kind of money is money that is undergoing appreciation.

CURRENCY OF LOAN AND PAYMENT.

Mr. WALKER. How long is the life of an average Western mortgage?

Mr. WARNER. Perhaps five years. But they are not usually paid in five years. They often run a long time. That is my information. They are renewed or allowed to run without renewal.

Mr. WALKER. Take the last thirty years, what has the land west of the Mississippi cost the farmer per acre?

Mr. WARNER. Where he has taken it from the Government he has got it for a homestead, or if he has bought it from the Government otherwise he has got it at the Government price, but still I say he must give 50 per cent. more bushels of what he produces to cancel the mortgage than he did in 1873.

Mr. WALKER. If the farmer got it within the last twenty years he probably put the mortgage into improvements.

Mr. WARNER. That may be so.

Mr. WALKER. Has not the man who loaned him the money in either case got to be paid?

Mr. WARNER. The borrower ought to pay in money according to the standard by which he borrowed, but not by an appreciated standard.

Mr. BARTINE. The interest which the lender receives is all the profit he is entitled to, is it not?

Mr. WARNER. That is the lender's profit. He should not also get appreciated dollars in return for those which he loaned.

Mr. WALKER. A man can borrow \$4,300 at 2 per cent. compound semi-annual interest, to be paid principal and interest in 20 years, while if he borrow only \$1,000 for the same time at 10 per cent. he will have to pay the same sum at the end of 20 years. In one case he has \$4,300—to use 20 years—in the other \$1,000.

Mr. WARNER. You mean simply on call. If the farmer borrowed that way it might run to 180 per cent., as was stated yesterday. The farmer who puts his hand in that lion's mouth will have it bitten off.

Mr. WALKER. I do not mean on call. I mean on 20 years. The farmers' products will buy more now than they would in 1873, bushel for bushel, or pound for pound.

Mr. WARNER. The farming interest in the United States is concerned in having stable money, and stability can only come by supply equal to increase of population and wealth. There is no other way on the face of the earth in which it can come.

Mr. VAUX. Is that based on silver?

Mr. WARNER. On both metals.

CREDIT AND CURRENCY.

Mr. WALKER. Is the wealth in a country measured by the money in circulation among its people?

Mr. WARNER. Do you mean in this country?

Mr. WALKER. The world over.

Mr. WARNER. Money and credit. There is more credit in this country than there is money.

Mr. WALKER. Why do you say credit more than money?

Mr. WARNER. I said that the credit circulation was about \$2,700,000,000 and the money about \$1,500,000,000. The efficiency of the \$2,700,000,000 of credit is not, however, equal to that of the \$1,500,000,000 of money.

Mr. WALKER. What is the value of the credit of a man who can telegraph to Chicago a credit of \$1,000,000, as compared with taking the time to send by express \$1,000,000 of coin?

Mr. WARNER. It is very great in that respect. But among the people 1,000 million of dollars circulates every day in the year, and it is among all the people of the country. Credit is between individuals, and is limited to those who deal through banks, and is therefore restricted. But banks perform important functions, and we can not do without our banks.

Mr. WALKER. Does not the bank bill, or any circulating note that a man carries deposited in his pocket, do for him precisely the same thing that a check on a bank does for a man who keeps a bank account?

Mr. WARNER. The check is merely an order to transfer money.

Mr. BARTINE. What is a check worth, if there is no money to back it?

Mr. WARNER. A check is not worth anything in that case. It is the credit which does the work of money.

Mr. BARTINE. You claim that a check is the same thing?

Mr. WARNER. He must have the money there. We transfer money or credit by means of checks and drafts.

Mr. WALKER. Does it not often happen that a bank with a capital of \$100,000 and deposits of \$100,000 has only \$15,000 in bills; and does not that bank frequently exchange thousands and thousands of dollars in the \$15,000 in bills.

Mr. WARNER. I have said that credit serves the purpose. Credit is valuable; but it must not be carried too far.

Mr. TAYLOR. Does it not sometimes happen that a check for \$100 pays a thousand dollars' worth of debts before it reaches the bank?

Mr. WARNER. It is an order of transfer, and may be passed from one to another.

STATEMENT OF HON. JOHN DEWITT WARNER, OF 52 WILLIAM ST., NEW YORK CITY.

Mr. Chairman and gentlemen of the committee, I appear on behalf of the Cooper Union meeting. If I may be permitted to do so, in view especially of the frank argument of General Warner, I will refer to a few points which he has made; and I will do so now, in order that he may not be obliged to wait. In the first place, as I understand it, the main points enforced by General Warner referred to the question of currency

and to its stability as the first requisite of sound currency. In that respect there can be no difference between us. The next point made, as I understand it, upon his part, was that appreciation was the worst defect of currency. In regard to that, I differ with him totally; and, without pausing to discuss that now, I will refer to it later in my remarks. I mention it now that he may appreciate what I have to say in that line.

PRICES OF FARM PRODUCTS.

The gentleman also suggested that prices had fallen 50 to 70 per cent. on account of the increase in the value of gold. I do not believe that to be the case. This assertion that the purchasing power of gold increased from 1875 to date I believe to be entirely erroneous, and I will refer to it later.

Another point suggested was, that there was no change in the method of production of farm products; and the gentleman ascribed the decline in farm products, wheat, corn, cotton, butter, cheese, etc., to the appreciation of gold. That is a point to which I should not have otherwise referred; but I will suggest right here that there has been just the change which the speaker before me denied. That change has been great in two directions—in the improved methods of production, involving increase in product and improvement in agriculture as it refers to the handling of land, and improvement in the use of machinery in every part of the country—except that part where my friend appears to have been. There have been wonderful changes for the better in that time. There have also been improvements in methods of transportation. And, on the other hand, there have been opened enormous amounts of fresh lands in every quarter of the world, and that together with increased facilities for transportation has greatly increased the available supply of agricultural products. That has, in my opinion, caused the depreciation, so far as it has occurred, in the price of farm products.

Mr. A. J. WARNER. Has the wheat acreage increased since 1882?

Mr. J. DE W. WARNER. It has the world over. That is the point on which I am talking.

It may be a question as to whether, taking all these factors together, the decrease in the price of farm products has been much more than ought to have been expected. I confess that it has not been as much as I should have expected; and, if that were a matter for consideration here, I should try to explain the cause. The only point which I wish to make here is this: That, in my opinion, the ground taken by the former speaker and others advocating free coinage on account of the decrease in the price of agricultural products is a mistaken one.

Mr. BARTINE. You say that there has been an improvement since 1873. Has it been more marked since that time than for 15 years prior?

Mr. WARNER. So far as improvement throughout the world is concerned, it has been. I presume that over limited areas of the United States, or some parts of it, improvements have not been greater since 1873 than for the 10 years previous. But taking it as a rule, they have been. The improvements since 1873 in the methods of farm work have been so great that it has been a puzzle for me to understand why the depreciation in prices has not been greater from that cause alone.

Mr. BARTINE. Have you any knowledge of the aggregate wheat crop in America and Europe (with importations from India and Chili to Europe) compared with the aggregate wheat crop in 1870?

Mr. WARNER. It is very much larger. Not out of those two countries, alone. I mean in the world.

Mr. BARTINE. I mean in the United States and Europe.

Mr. WARNER. I am talking about the aggregate production of the wheat-raising lands of the world in connection with such methods of transportation as make the supply an available factor in the world's markets.

Mr. BARTINE. I mean in the United States and Europe, including the importations into Europe.

Mr. WARNER. I mean the wheat pressing for sale in the world's markets. The Argentine Republic has produced a great deal. The export from India has been falling lately, but this is largely on account of the increased consumption there, whereas only a small part of her people could afford to eat wheat 15 years ago. A large proportion of them indulge in that now. That leaves a smaller exportable stock in competition with ours.

Mr. BARTINE. Would not the tendency of that be to send up the price?

Mr. WARNER. Yes, sir; that is one of the small factors which help to account for the price of farm products.

Mr. WALKER. I think it would be more agreeable to the committee to ask questions as they may occur to the members.

Mr. WARNER. Just as the committee pleases. I have no prepared argument, and do not expect to make one.

Mr. BLAND. This claim about improved machinery and other scientific modes of agriculture, and that such production is greatly reduced in price thereby; that being so, who gets the benefit of that reduction? Is it the producer or the money lender?

Mr. WARNER. So far as the benefits of it are concerned, it goes first of all to the great working masses of this country, who get cheap food by reason of it. Next of all, it goes to the farmers themselves, because the reduction in the price, like a reduction in the price of every other product, has produced an extra demand. Had it not been for the reduction in the price, and the construction of railroads which has taken place, the farmer would be in a worse condition than he is to-day.

Mr. WALKER. Mr. Bland intimated that the man who had accumulated capital, or who did business, was more fully compensated than before. Is it not a fact that capital purely (and the merchants and middlemen) receive a less percentage, and less is paid to them, than ever before?

Mr. WARNER. As that is a point which I wish to touch upon later, I do not care to bring in that question now.

Mr. BARTINE. You were speaking of the farmer getting the benefit of this fall in price.

Mr. WARNER. He gets the benefit of a part of it.

Mr. BARTINE. By reason of the fact that he purchases things which he needs at lower prices?

Mr. WARNER. Yes, sir; in addition to the fact, which is based upon a law universally admitted, that if I can produce an article more cheaply than before, the result will be an increased demand, which will enable me to charge more margin than I would otherwise have been able to charge. Therefore, on the whole, the farmer gets more. The agricultural interests are so distributed that the farmer gets the benefit of the low prices throughout the country; and by reason of the increased demand for his product he is able to get a larger margin than he otherwise would get.

Mr. BARTINE. The question I asked was to lay a foundation for another question. To make your position sound would it not be necessary for the fall to be uniform—the same in things purchased and things sold?

Mr. WARNER. It would not necessarily be so. If, however, your suggestion is that the depreciation of prices of farming products has been greater than in the case of other things, I am perfectly willing to meet it.

Mr. BARTINE. It might possibly affect your position some, if it be true that some of the expenses that the farmer has to bear have not fallen, such as taxes and the like, that are somewhat in the nature of fixed charges.

Mr. WARNER. In regard to the payment of the public debts, contracted by local municipalities, I am inclined to think you are right.

Mr. BARTINE. How about doctors' and lawyers' fees?

Mr. WARNER. My experience has been that doctors' and lawyers' fees are regulated by the comparative prosperity of the communities in which they live.

Mr. BARTINE. But are they not fixed, or at least relatively stable?

Mr. WARNER. They are not fixed. They—lawyers and doctors—follow the money.

Mr. A. J. WARNER. I suppose your statement takes into account the population?

FORMS AND BASIS OF CREDITS.

Mr. WARNER. Yes, sir. The gentleman who has just spoken (Mr. A. J. Warner) said credit was limited by the money subject to check. I can not think the gentleman meant that. Credits are facilities of commercial operations. I wish simply to call the attention of this committee, as the gentleman would have done, no doubt, had he thought of it, to the fact that in all operations, commercial credits are doing the same work as bank checks. For example, the house of Claflin & Co., of New York, are carrying merchants all over the country by the credits upon which they furnish goods—commercial credits that are extended between man and man and trader and trader.

Mr. WALKER. Is it not precisely the same to sell a man \$10,000 worth of goods as to loan that man the money?

Mr. WARNER. Yes, sir. If Claflin & Co. sell a merchant in Texas a bill of good to the extent of \$5,000, and instead of insisting upon the cash will let him have the goods on time, then that is just the same to the merchant as the money; and as a matter of fact this credit frequently is put in the shape of a note at 3, 6, or 9 months, and it is indorsed by Claflin & Co., and put into a shape of credit, comparable to a bank loan.

Mr. BLAND. Do you think that Claflin & Co. would do that if they did not think the money was in circulation?

Mr. WARNER. The last thing they inquire about is the volume of circulation. The first thing they consider is the prospect of that man in Texas doing a good business.

Mr. BLAND. There must be money in circulation to enable him to do it.

Mr. WALKER. The only way the man in Texas is affected is by the amount of money which is in Texas.

Mr. WARNER. The amount of money in the pockets of the people is only a portion of that in existence. A great portion lies in the United States Treasury and in the vaults of the banks, and is not passed from hand to hand among the people.

Mr. BARTINE. If the volume of money were doubled would that have any effect upon the prosperity of the man in Texas?

EFFECT OF ACT OF 1890.

Mr. WARNER. Very little. I will touch upon that later.

The suggestion was made as an illustration by the gentleman who preceded me, that the panic of last November was caused, if I recall his language correctly, by the withdrawal of currency on account of the failure of the Barings and other financial crises connected therewith. I wish to call attention to this fact. So far from the November crisis having been created by a contraction in the currency, the report of Secretary Windom shows that \$23,000,000 per month had been added to the circulation between July 1 and November. Again, the Barings trouble did not come until after the crisis here; and so far from the result of that panic having been mitigated to the commercial interests of this country by any supply of currency at that time by the Government, it caught the New York bankers at a time when, on account of the state of the United States Treasury, currency could not be furnished for that purpose.

Mr. BLAND. What caused that panic and stringency?

Mr. WARNER. I do not care to go into issues that are not pertinent to this investigation. My belief is that the stringency was largely a consequence of the passage of the bill known as the silver bill of July last, and which is now in operation. Gentlemen in this country were apprehensive of its effect, and other gentlemen abroad were apprehensive of this effect, and they endeavored to realize upon their American securities, and therefore brought back to us a great amount of securities for which the cash had to be furnished.

Mr. BLAND. Was it occasioned by the tariff bill or the silver bill?

Mr. WARNER. The silver bill was responsible for these particular results.

Mr. BLAND. The silver bill is still in operation.

Mr. WARNER. The stringency was unquestionably aggravated by the troubles in the Argentine Republic. In the next place it was aggravated by the fact that it occurred at a time of the year when the different moneyed institutions of the country were gathering funds to pay dividends. That part of the argument is on General Warner's side, but it was only a small factor.

Mr. BLAND. The fact that that panic feeling has subsided shows that the scare was unnecessary.

Mr. WARNER. No; it only shows that the first effects have passed away. It remains yet to see whether gentlemen who have realized on their American securities have been sharper than the rest of us.

Mr. BLAND. That is a matter of stock-broking operations.

Mr. WARNER. No; I do not think it is.

Now, the suggestion was made that at a certain time in New York City money was 180 per cent., and yet at that very time I borrowed money at 4 per cent. I call attention to the fact, not as in my opinion having any pertinency in this argument, for reasons I can explain; but in order to say that it is not during the times when we are paying large interest that we have had easy times, and that it is not during times when we are paying low interest that we have had bad times; and that as a matter of fact there was the same amount of currency then as now.

Mr. A. J. WARNER. Credit was broken.

Mr. WARNER. There is where you and I are in agreement.

Mr. WALKER. How can the free coinage of silver increase credit?

Mr. WARNER. I will touch upon that later.

Mr. WALKER. Can not you explain it now?

Mr. WARNER. That is something I shall have to ask my friend, General Warner, to explain.

SILVER IN FRANCE.

The suggestion was made that silver money was upheld in Europe at a ratio $15\frac{1}{2}$ to 1, and in India at 15 to 1. I wish to call attention to the fact that it is the attempt to keep them on that basis, and a submission to that kind of financiering, that has given France such a large lot of silver that she can not get rid of it, which has been a menace to the silver market since 1875, and that has driven gold out of circulation in India.

Mr. A. J. WARNER. When was gold ever in circulation in India during this century?

Mr. WARNER. It has been in circulation in India during that time.

Mr. BARTINE. I would be glad if you would enlarge a little with reference to France being loaded down with silver and anxious to get rid of it since 1873, and of gold going out of circulation in India. Those are new things to me.

Mr. WARNER. That of France is a typical instance, in other cases they are getting ready to blossom. France had silver coinage on the basis of $15\frac{1}{2}$ to 1. When the currency of France was getting into a shape that alarmed the financiers, the Latin Union took action by which the free coinage of silver was checked but the free coinage of gold was continued.

Mr. WALKER. What was the date of that?

Mr. WARNER. It was in 1874, I believe, that the convention was called, and in 1876 the movement began to go into effect; in 1878 silver coinage was stopped.

Mr. BARTINE. A limitation was placed in the coinage of 1874.

Mr. WARNER. That, I believe, was when the Latin Union agreement on this matter took effect. Their agreement was also as to the mutual circulation of coins of one country in the territories of others. That agreement in some respects has not been changed. The result has been that there is outstanding to day about 3,100,000,000 francs, or above \$600,000,000 in silver currency which has the stamp of the French mint. That currency is not current in France alone, but in all countries of the Latin Union; and one problem upon which French statisticians are working is as to whether the attempt to withdraw from circulation the part of the coinage that has the stamp of her mint will result in her receiving from other countries so much greater an amount of her own coin for which she is responsible than she would be rid of by the withdrawal of the coin of other countries now circulating in France. I believe it is generally admitted that the result would be a loss to France, because there is a vastly greater amount of French coin current outside of France than there is of the coin of other countries in France. That is the problem that France has had to face. My friend suggested that no man who held silver money in France, where it was passed, to be sure as a subsidiary currency—but effectual and equivalent to gold at the rate of $15\frac{1}{2}$ to 1, would bring that money to the United States and sell it for a lower price, and in this I agree with General Warner. But it is not the individual in France that coins money. The French Government, through its financial representative, holds to-day a vast stock of silver

money in its vaults. It could send that silver to this country, provided silver appreciated here, and could get for it an amount of gold which would enable it to buy a much greater amount of silver and coin it into the same kind of coin that had been displaced.

POSSIBILITY OF UNITED STATES MAINTAINING BIMETALLISM.

As regards the possibility of the United States putting up the price of silver throughout the world, it all depends upon your estimate of the credit of the United States, not merely in her own mind but in the minds of the people who do not care for the United States. When Mr. Hutchinson wanted to bull the wheat market he had to walk into the wheat pit in Chicago and buy up the wheat offered from everywhere (and it came even from Liverpool and from Washington Territory) at the price at which he wanted to keep it, and he had to continue in the pit and take every lot that was offered or take the consequences, until the world's stock was reduced so low that destitution took place in many directions. If the Government proposes to keep up the price of silver to the point at which it is proposed to set it, its only way is to stand in the silver pit of the world and offer and give a price as high as \$1.29 per ounce for every ounce that may be offered from anywhere. The extent to which it will be obliged to do so will only be determined by the holders of the silver of the world becoming convinced that it is willing to trust this Government's credit to buy all the silver in the world at that price. If that comes about, then I admit that the silver question can well be settled on the alternative basis suggested.

Mr. BARTINE. Do you claim that under free coinage we would be be compelled to take all the silver in the world?

Mr. WARNER. India would keep some.

Mr. BARTINE. Then what is left on the market we would have to take.

Mr. WARNER. The use of the civilized nations of the world for silver coin is exclusively confined to subsidiary coin. I see no reason why the proposed bill does not practically compel us to stand in the silver pit and take what France or any other country offers. Even in the uncivilized nations, where silver is used in the arts and for ornaments, whenever there was an inducement to do so, then even much of that silver has been sold and melted into bullion.

Mr. WALKER. The late Secretary of the Treasury, in his report for 1889, in support of what is known as the Windom bill, stated that the coinage of silver and the use of silver per annum in other countries aggregated \$25,000,000, leaving \$51,000,000 which would probably come to our mints.

Mr. WARNER. The late Secretary of the Treasury was a sanguine man in regard to the measures which required the support of his administration. I do not think that every bit of silver in the world—8,000 or 9,000 millions—would under any circumstances come here. But I do believe that some 4,000 or 5,000 millions of it is practically floating, and provided we would pay \$1.29 per ounce for it, would get here just as fast as people outside could get it here.

Mr. BLAND. What would they do with it when they got it here?

Mr. WARNER. I understand that we are going to issue certificates for it if this bill passes.

Mr. BLAND. What would be the effect of that?

Mr. WARNER. I think it would depreciate the currency so that our friend across the table (General Warner) could pay his debts by having cheaper money.

Mr. BLAND. Suppose they would bring bullion here and get certificates for it; what would they do with it?

Mr. WARNER. They would put them in bank.

Mr. BLAND. If 4,000 millions came here, what would the certificates be worth after they got them?

Mr. WARNER. That is a proposition for the gentleman from Ohio to answer.

Mr. BLAND. If they do not do anything with the certificates, why would they bring the bullion here?

Mr. WARNER. They would bring the bullion here as long as we made silver higher in price than in any other place in the world.

Mr. BLAND. How long would that be?

Mr. WARNER. I do not think it would be very long.

Mr. BLAND. What would they get for the bullion after they got it here?

Mr. WARNER. They would get certificates.

Mr. BLAND. What would they do with those certificates? If they could get a better price for their silver at home why would they bring it here?

Mr. WARNER. They could not get a better price at home. They could do better by bringing it here and getting certificates, provided that gold does not go to a premium.

Mr. BLAND. What good would it do the foreigner after he got the bullion here?

Mr. WARNER. If the foreigner could bring his bullion here and get certificates which would represent more gold value, as they must if gold does not go to a premium, then the certificates which he would get he could transfer for new bullion and gain the difference by exchange of the two, his original bullion and the bullion he can buy with the certificates he gets for it.

Mr. BLAND. What would he do with his certificates?

Mr. WARNER. Buy gold.

Mr. BLAND. How much gold could he buy for a dollar's worth of certificates?

Mr. WARNER. $25\frac{8}{10}$ grains.

Mr. BLAND. He would get a gold dollar?

Mr. WARNER. I think gold would appreciate.

Mr. BLAND. I will ask you again what he is going to do with his certificates?

Mr. WARNER. He is going to buy gold with them.

Mr. BLAND. He would not sell them, except for their value?

Mr. WARNER. No, sir; you must take either one or the other horn of the dilemma.

Mr. BLAND. I think you must. You say that they would bring 4,000 millions of silver, which must have the power to buy more gold than it would buy in the country from which they came.

Mr. WARNER. The holder would get more for his silver here than he could get in the country from whence it came. If our prices were maintained the price of silver would be kept higher here than the world's price for silver—in terms of gold.

Mr. BLAND. It is at a higher price everywhere than it is here to-day.

Mr. BARTINE. I think that you are assuming a substantial point in this whole discussion when you say that the price would be higher here than elsewhere.

Mr. WARNER. It must be, unless the whole of the world has confidence in the United States and its credit. Therefore they will send it here. It would continue to come.

Mr. BARTINE. Do you think that if India and France demonetized silver and brought it to this country, that they could buy more commodities for it than they do to-day?

Mr. WARNER. Yes, sir; they could get silver certificates for it, and sell certificates, and have the balance gained placed to their credit.

Mr. BARTINE. That is upon the supposition that the certificate does not depreciate?

Mr. WARNER. These particular evils would come from appreciation of silver and from keeping silver at a par with gold. But what I believe is, that gold will immediately go to a premium, and that we will not get much silver from abroad.

Mr. BARTINE. I think you must take one horn or the other of the dilemma. If certificates go to a parity and are maintained, that settles the question.

Mr. WARNER. It brings silver to this country.

Mr. BARTINE. If, upon the other hand, the certificates depreciate, that will be manifested in a reduced purchasing power; and nothing would be gained by exchanging European silver for them?

Mr. WARNER. Gold would go to a premium, and circulation would be reduced.

Mr. TAYLOR. Silver would come until it got all the gold out of the Treasury.

Mr. WARNER. My opinion is this: That as a matter of fact the operation of a free-coinage bill under present circumstances would be to appreciate the value of gold, and drive it to a premium; and that there would be a certain and great contraction of the currency. That is my belief.

COMMUNITY OF INTEREST BETWEEN NEW YORK AND THE COUNTRY.

There have been some suggestions made here that a number of citizens in this country have an interest different from citizens of other parts of the country; that in New York the interests of the people are opposed to the interests of the people of the South and West—not in personal hostility, but in a commercial sense. I wish, on behalf of the meeting which I represent, to state in the beginning that this is not our understanding of the case. Our understanding of this matter is this: That New York thrives by being the agent and doing the business of other parts of the country. The more cotton, wheat, tobacco, or other produce, which we find markets for abroad, the more prosperous are they, and the more money we make out of handling it. The more prosperous they are in the cities in the West and South, the more of our money they want to borrow and the more times we can turn over what capital we have. The prosperity of New York is the prosperity of the rest of the country. In other words, we believe that if this bill be passed, and if it be a good thing for the farmers of the South and of the West, that New York would be the very first part of the country to profit by it. If it be a bad thing for the people of the South or the West, then it is a bad thing for us in New York, and it is because we believe it would be such a bad thing that we are here to oppose it.

NO INSUFFICIENCY OF MONEY.

In regard to the suggestions which have been made as to the purposes of such a bill, that we do not have enough currency, and that it would give us more—I know that is not the universal suggestion, but it is one which is pressed by many of its advocates—I want to say, in the first place, that there is no proof that we have any lack of currency. We have now, and have had during the last 5 years, more currency in bulk, in coin per capita, than ever has been known in any previous 5 years, according to my recollection. More than that, the bank facilities have been so increased by clearing-house methods, that the currency which we have to-day is not merely more per capita than it ever has been for the past 15 years, but it is capable of doing four times that in the amount of work that the currency of fifteen years ago could do then.

If we were to reason upon the amount of currency now at our disposal as compared with what was at our disposal in times which were called prosperous, we should have to assume that what we want is a reduction of the currency rather than an increase of it. I do not believe that, however. But there is no proof that it is a lack of currency from which we are suffering. We do not eat or wear money. We do not make our houses out of money. Money is only something that we temporarily use for the purpose of effecting exchange of the actual materials that we eat, drink, wear, or use; and therefore it is that comparative scarcity or plentifulness of money will always be measured by the rate at which we can rent money. Now as a matter of fact, if my friend General Warner should say to me that houses are scarce in Washington, and I should, after examination, find that rents had been continually going down, and the stock of houses was large, and many of them were empty, I should take up neither his time nor mine in arguing it. Therefore, when I am told that currency is scarce in this country to-day, and that we are suffering for need of it, my answer is, "My friend, you are mistaken, for the rent of money has been getting lower and lower, and to-day you can get money cheaper on the whole than ever before."

Mr. BARTINE. Do you think that when business is stagnant, or if it becomes stagnant and money goes to the banking centers and the rate of interest falls, that it follows that money is abundant because of the low rate of interest?

Mr. WARNER. When business is stagnant it is almost always hard to get money, and you generally have to pay high interest.

Mr. BLAND. Is it not a fact that such was the case in 1862, and that at that time money was more likely to be invested in those things which were fixed than it was in productive enterprises?

Mr. WARNER. That made no change in the whole sum of investments in fixed securities, which would remain the same, though some men might want to invest in them who had not wanted to do so before. My point is that now we have got more money than we had then.

Mr. BLAND. Might not the increased demand for fixed securities increase their price?

Mr. WARNER. To a certain extent.

Mr. BARTINE. Do you know of any period in English history when bank rates were higher in England than from 1850 to 1860, while England had more currency than she ever had before or since?

Mr. WARNER. I am not well enough acquainted with English history to answer that; but I do know facts in reference to development of other countries at that time which might, perhaps, have produced that

effect in England. Under such circumstances I am not surprised at the increased rate of interest in England then.

Mr. BARTINE. Does it not indicate that the rate of interest depends upon the demand for money?

Mr. WARNER. The rate of interest depends upon the profit in the use of money—

Mr. BARTINE. The profit in the use of money leads to the demand.

Mr. WARNER. —and also upon the extent of the risk in that use. That is one of the factors. We have a very much larger amount of currency than we ever had before; and we not only have that, but the use of it has been facilitated to the extent that a dollar goes twice as far as it did formerly, and the rent for money is cheaper than ever before.

Mr. BLAND. In making an estimate of the money in circulation, do you confine it to the per capita?

Mr. WARNER. I had understood that to be the pertinent way of illustrating it.

Mr. BLAND. Would not the increased amount of property be regulated by the money?

Mr. WARNER. The increase per capita during the last ten years has been at a greater rate than the increase in the amount of property, as will be shown by the census taken for the last ten years.

Mr. BLAND. Should not both per capita and amounts of properties and commodities in business requiring money be considered?

Mr. WARNER. I should think it would be fair to take both into account.

Mr. BLAND. Then we have more money in circulation than we ever had.

Mr. WARNER. We have had more money in effective circulation during the last five years than during any other ten years past.

Mr. WALKER. In 1860 we had \$14.16 per capita, and now we have \$22 per capita, which is a per capita of 55 per cent. more than it was in 1860. In 1873 we had \$18.16, and now we have \$22, which shows that it is greater than it was in 1873.

Mr. BLAND. Can you give us the official figures of the increase in wealth?

Mr. WARNER. Wealth has increased faster than population.

Mr. WILLIAMS. Does the general decline in price increase or diminish the demand for money?

Mr. WARNER. It depends entirely to what that decline is due. If it comes from overproduction or if it comes from lack of consumption, which is the same thing, then the decline in prices comes from a necessity for realizing on the part of manufactures, and is accompanied by stagnation rather than by an increase in the demand for currency. If it comes from improved processes by which a certain number of hours' labor produces more in product than that number of hours' work previously did, then the decline in price may, and frequently does, cause a largely increased demand for the product and an increased demand for money.

Mr. WILLIAMS. Are men more inclined to invest when prices are declining or are they more inclined to invest when prices are rising?

Mr. WARNER. There is no question but that what is called the speculative inclination of man is increased by the rising prices. There is no question about that.

Mr. BLAND. Upon this question of production, if the enormous product produced by machinery has so increased the commodities and

wealth of the world, in order to keep prices up, would not it be necessary to increase the circulation in proportion in money?

Mr. WARNER. No, sir.

Mr. BLAND. You think not?

Mr. WARNER. I do not understand what you mean by keeping up prices.

Mr. BLAND. If we have an immense volume of commodities and a small volume of money are not prices more likely to be low?

Mr. WARNER. There may be a slight tendency in that direction. Good prices are, however, based upon the comparative abundance of credit and not upon the comparative amount of currency, for that is a small factor.

Mr. BLAND. Then you think that the vast amount of business could be handled as well on \$100,000,000 as it could be on \$1,500,000,000?

Mr. WARNER. No; I do not think it could. I do not think a factory could measure with the same number of yardsticks or the same number of machines five millions of yards of cloth as it could 5,000 yards of cloth. The question of the cost of yardstick is however a small one in disposing of the cloth of a factory and yet it is important to have yardsticks. While I do not think that the question of currency is as small a factor as is the question of the yardstick, yet it is not a great one in considering a manufacturing business.

Mr. BLAND. Suppose the commodities were double and the money volume remain as it is, do you contend that prices would remain as they are?

Mr. WARNER. No, sir; if production were double the result would be that one day's work would purchase twice as much commodities as before. The natural consequence would be that the amount of silver representing a day's work would, as it ought to, purchase the greater amount of goods representing a day's work.

Mr. BLAND. Then you think the volume of money has no relation to prices?

Mr. WARNER. I do think it has some relation to prices. It is the relation of the yardstick.

Mr. BARTINE. A yard is always just 3 feet long.

Mr. WARNER. A yardstick is the means by which we measure out the cloth, which is made in a factory, to the man who takes it. The function of money, and its first function, is to act as a measure of value. Now, in order to enable it to serve as a suitable measure of value, civilized countries have come to a pretty general agreement that in order to make it a suitable measure of value it should be based upon something which is of intrinsic value. Now just to the extent that the intrinsic value of the currency we use in measuring compares to the total amount of all transactions measured by it just to that extent is it a factor. It is therefore a small factor.

Mr. BARTINE. Don't you think that destroying one-half of the money necessary would be the same thing as cutting the yardstick in two?

Mr. WARNER. I do not. Nor do I understand that anybody proposes to demonetize silver.

Mr. BARTINE. I thought that your argument held you to the point that we had already demonetized it.

Mr. WARNER. We are using silver.

Mr. BARTINE. You say that if we had free coinage everybody would want to get rid of silver.

Mr. WARNER. I would not demonetize it in the sense of its being unable to be used in exchange and currency. One use for which silver is good for is as currency.

Mr. WARNER. Before I proceed I will state that by inquiry during the recess I have received the information that gold coinage in India stopped in 1873 or thereabouts, and therefore add this to the suggestion I made as to the result of the unlimited use of silver as a legal tender in face of the depreciation in the value of silver.

PRICES OF FARM PRODUCTS.

In 1873 the production of wheat per capita was 6.7; of corn 22.4, and of oats 6.5 bushels. In 1889 the amount of wheat produced per capita (allowing for increased population) was 7.7; of corn 33.3, and of oats 11.8. In the increase per capita of the production of those three great staples the farmers of the North and West are greatly interested. In 1879 there was produced per capita 47 per cent. more of those three products combined than there was produced in 1873. Taking the different products separately there was produced in 1879 15 per cent. per capita more of wheat, 48 per cent. per capita more of corn, and 81 per cent. per capita more of oats.

Mr. BARTINE. My former question referred to the aggregate of Europe and America, the commercial world.

Mr. WARNER. As I suggested just now, this was not intended to refer to anything more than to this country.

Mr. BARTINE. My question referred to all of the territory commercially connected.

Mr. WARNER. My answer was based upon all the world.

Mr. WILLIAMS. Where did you get those statistics?

Mr. WARNER. From the agricultural reports.

GOLD AT A PREMIUM.

Now, there has been a good deal of reference this morning to the opinions entertained by myself and others who appear with me as to the effect of this present bill for free coinage. I wish to have it distinctly understood that my assumptions as to what would be the course of silver in the world and the extent to which we would become glutted with silver here are in my opinion not founded upon fact. They are, however, the inevitable result of the conclusion of the gentlemen who favor this bill, and especially of the gentleman who preceded me—in case their belief is justified and the price of silver is raised to or near approximately the value of gold in our currency—that is to say, if the price of silver be raised to \$1.29 and kept there. I myself do not believe it would be raised. The gentlemen who are with me I believe hold to the same belief that I do. It seems to me that the inevitable effect of the passage of a free-coinage bill by the United States would be that gold would immediately go to a premium and would finally go approximately to such a premium as would be equivalent to the difference between the bullion value of silver expressed in terms of gold and the currency value of silver expressed in terms of dollars to be coined from it under the law. In other words, I do not believe that there is confidence enough by the world in the ability of the United States alone to uphold the price of silver even to start a great amount of silver hither. I believe that there is such an opinion of the absolute inefficiency of any legislation that we might pass to raise the price of the silver product—a product so widely distributed—that the only result would be to immediately depreciate the price of American securities by some 20 or 25 per cent. of their face values.

Mr. COMSTOCK. Have you seen any illustration of that view in business?

Mr. WARNER. Yes, sir. I inquired some time since of the president of a trust company in New York how long after the passage of such a bill as this it would be before gold would be at a premium. He said, "You had better ask me how long it will be before such a bill is passed that gold will go to a premium." He gave me a number of illustrations and I will trouble the committee with but one. In New York on Friday morning a capitalist there presented to a certain trust company bonds to the extent of \$300,000 issued by one of our States, the credit of which has always been good, and is to-day unquestioned. The State issued a number of these bonds without the gold clause, and which made no specification as to the kind of coin in which they were to be paid. He asked for a loan upon those bonds. He was offered a loan on what we call a margin basis of \$240,000. In other words, he was refused an amount of money equivalent to what would have been produced by the use of \$60,000 simply because they were payable in coin as such.

Mr. WALKER. They did not specify the kind of coin?

Mr. WARNER. They did not specify gold. He went from one trust company to another and found the same experience everywhere, and so it is not too much to say that to-day gold is at a premium in every banking center of the world when it comes to dealing in American securities.

Mr. BLAND. How do you account, then, for the fact that U. S. bonds are at a premium? Why are they at such an enormous premium?

Mr. WARNER. Because as to the outstanding amount every Secretary of the Treasury in successive administrations has given renewed assurance that the law would be so construed as to pay them in gold.

Mr. BARTINE. Do you think it is an advantage to the country that those bonds should be so high, standing at 125 in the market, especially as the Government has redeemed them at 125?

Mr. WARNER. I take it it is good for this Government that its credit and its bonds are at such a premium that people are willing to consider them as worth more than their face.

Mr. BARTINE. Does not it take more money to pay the national debt?

Mr. WARNER. They are not to be paid at 125. If the Government sees fit to anticipate them and take advantage of its fortunate financial condition, I can not see that it hurts anybody. It need not go into the market and buy unless it wants to.

Mr. BARTINE. It has been buying them.

Mr. WARNER. Yes, unquestionably. I do not think that is a hardship, however.

SILVER AND CREDIT.

In regard to this credit question, it has been suggested that such an increase to our currency as might come from the use of a greater amount of silver than we now have would benefit our commercial standing and would benefit our citizens in making money easier. As I understand it, the amount of coin in circulation is one of the smallest factors of the great credit currency of the country in which business is transacted, and the volume of which, not in any one of its factors alone, determines whether "money," whatever it may be, whether gold, current funds, or credits, is scarce or plentiful. It is not merely the legal currency, which has been alluded to, not merely bank deposits subject to check, not merely credits of wholesale dealers to retail dealers, but the amount

of outstanding millions of credits upon the books of the manufacturers and merchants and money lenders of the country that represents credit. To a very great extent, credit in its various forms is practically current funds and a substitute for money.

I have heard a great many estimates as to the proportion under various conditions which the actual legal tender currency bears to the credit of a country, that is, to the actual business currency upon which business transactions depend. These estimates vary from one-tenth to one fiftieth. Taking the lesser proportion, which I believe and know to be far below the real one, it is at once apparent that any considerable shrinkage in credit, any considerable blow to confidence is of vastly more importance than any amount of currency which can under any circumstances or by any kind of legislation be added to or subtracted from the current funds of the country. It is my belief, and I have explained the reasons for that belief, that, so far from our circulating medium, the legal tender, being increased by the passage of this act, it would be absolutely decreased by the total amount of gold now in circulation, which would become an article of merchandise to be gradually replaced by our silver coinage if our friends carry their measure.

The anticipation of gold going to a premium would give a great blow to credit by destroying confidence, and if it caused the shrinkage of even one-tenth or one-twentieth of the amount of our loanable funds, would inflict a deeper blow to the credit of the country than any possible addition to the currency under this act could offset. We saw the consequences of this last November. There is practically no more currency in the country to-day than there was then, when credit was shaken and confidence was lessened. There is no question but that the contraction of the current credits in which business men do business was then four or five times as much as the total amount of legal-tender currency in circulation. Some of you differ with us as to what will be the logical result of such a bill as that now pending before you; but it is something upon which we will all promptly agree that, in the opinion of a very large proportion of those on whose opinions depend the confidence of the business community, the bill is a dangerous one, and that the result of the passage of such a bill, provided it is against their ideas, whether they are right or wrong, will and must produce such a contraction of the currency as will far outweigh any advantage in the bill before you.

Mr. BLAND. Do you think the use of silver money so far has been a disadvantage to this country?

Mr. WARNER. No, sir.

HOW SILVER DOLLARS HAVE BEEN PUT IN CIRCULATION.

Mr. BLAND. We heard this same complaint and predictions before. Mr. Cleveland said in a letter that we were on the verge of a financial panic, and that gold was going abroad.

Mr. TAYLOR. That would seem to be simply evidence that the Democrats were never right.

Mr. Bland. All these things were predicted before.

Mr. VAUX. We are right per capita.

Mr. WARNER. There is no question but what in 1885, or just about the time the famous letter to which the gentleman referred was written, there was such a growing accumulation of silver in the United States Treasury that the commercial people of this country believed we were on the verge of a panic, and that belief, whether right or

wrong, was doing much to bring that about. That was the influence under which that letter was written. The reason why those consequences did not follow is that that administration being honest and patriotic, attempted to do everything it possibly could to falsify its own predictions and in spite of its fears to preserve the credit of American finance.

Mr. BLAND. Can not they do that again?

Mr. WARNER. At that time New York business men took hold of the matter and offered Secretary Manning \$20,000,000 in gold to help him in his plans. One thing Secretary Manning did was to retire the one and two dollar greenbacks. And although our friends all over the country did not ask for the silver dollars, yet in that way one more hole was found in which they could be put. The next thing that was done was that as fast as the national bank circulation was withdrawn that big hole was filled with silver dollars. The next thing done was, if I remember correctly, to have special legislation passed by which silver certificates of small denominations were issued and forced into circulation, and that made another hole for the silver and kept it out of the Treasury. Another expedient was to go to work and accumulate an enormous surplus of gold in order that he should be prepared to meet such demands from the American people and the world as might come. And that kept them from coming, for we all know that when you can get your money is the time when you do not want it. I am not here either to advocate or to deprecate that policy. It is criticized by men of both political parties. But we were confronted with a condition and not a theory, and the result of that condition was that the very administration which had predicted that disaster was thus enabled to falsify its own prophecy.

Now in regard to the silver law of last year—the one now in force. We are now adding silver to our circulation twice as fast as we were doing a year ago and we have increased the expenses of government until the available surplus is practically wiped out, and our stock of gold is decreasing instead of increasing. No man can be sure what the result will be. I think we can say that the experience of the former law, under different and more favorable conditions, is not a criterion by which we can judge of the present one. If we are asked how we have stood to this day without a financial convulsion, under the operation of the present law, and how we can now predict disaster from the law proposed, we answer you have not got through with the present law yet.

It is our opinion, and the opinion of many in New York State, that we can not safely use silver faster than we are now doing. They would be glad to find that the United States can take more silver than they thought it could. If you could put \$1,000,000,000 in circulation, so much the better, and that is what we would want. But when you now propose that we shall change even the present law and be obliged to risk the coinage of an unlimited amount of silver we feel there is danger and that we can not rely on our past experience to insure confidence.

WHAT CAUSES PANICS.

Mr. BLAND. With a small volume of money I want to know if it is not possible for a few men who are immensely wealthy to lock that money up and bring about a financial stringency. Is it not easier to corner a small amount of money than it is to corner a large amount?

Mr. WARNER. We have absolutely no evidence of money ever having been cornered. The much-abused banks of New York are banks of

discount. They make money by being able to turn over what they can get as fast and frequently as possible, and it would be to their interest not to have corners in money, but to have it kept in circulation; and therefore they are the ones who are most interested, not only in having money out, but in having the demand brisk and times easy so that they can turn their money over and get a profit out of it.

Mr. WALKER. Is it not a fact that the hoarding of money is the least factor in producing a panic?

Mr. WARNER. Exactly. Crises come from the fact that commercial men including manufacturers and agriculturists, and all parties who need credit are no longer able to get it on a fair security. Those reasons have brought about every crisis this country ever had.

Mr. BARTINE. Suppose upon a fair, calm consideration of the past history of the world, its present condition, the statements which have been laid before this committee, the evidence which has been spread before the country, Congress should come to the conclusion that the free coinage of silver is a sound, economic, and financial proposition, do you think we should refuse to pass a law simply out of deference to the opinions of certain parties who are opposed to this legislation?

Mr. WARNER. I think that, upon all the circumstances taken together, if Congress should believe it to be a proper, sound, and profitable experiment for the United States, that it should try it. One of those circumstances, however, and one which may determine whether it is to bring disaster or not, is the very opinion to which you refer, and which, I believe, makes it impossible to try the experiment without deranging the credit system of our country.

Mr. WALKER. Is it not a matter rather, that might be determined by the operations of a certain portion of the business community?

Mr. WARNER. It is a matter as to which a large portion of those interested have already determined. Corporation after corporation, savings bank after savings bank, life insurance company after life insurance company, have, since the passage of this last act, felt, not that they wanted anything to happen, but compelled out of due regard for those whose money they were trustees for, to require that in all reinvestments and loans, there shall be put a gold clause. That has actually taken place to such an extent that I believe that before the time Congress meets in December, in the great money centers this movement will have become general on account of this proposed legislation.

Mr. BARTINE. Do you know whether after the passage of the former act contracts were made payable in gold?

Mr. WARNER. Yes, sir; a good many were.

Mr. WALKER. Massachusetts paid \$3,500,000 in premiums to get gold to pay interest and principal on her bonds in gold through the suspension of specie payment. It has been figured that she saved twice \$3,500,000 between that date and now by maintaining the low rate of interest in subsequent loans. Is not that true of railroad bonds and trust companies?

Mr. WARNER. The gentlemen who managed those things, and who are the best judges of what their interests are, thought that was true, and I believe they knew what was best for their interests.

Mr. WALKER. They would pay less in total payments by pursuing that policy.

Mr. WARNER. They would pay less in the end.

STABILITY OF GOLD AND SILVER.

Something has been said here as to the comparative stability of silver and gold. I admit, of course, that as nearly as possible the basis of currency should be a stable one. That is desirable. I had hoped to hear some demonstration, not that gold had fluctuated some; for although I do not think it was demonstrated by the remarks this morning, yet it is something that I am willing to admit in advance; but I had expected and hoped to hear a demonstration that gold was more stable than silver.

Mr. A. J. WARNER. I am willing to admit that.

Mr. WARNER. In reference to what statistics teach, this has been investigated by a great many economists, and while probably no two precisely agree in their conclusions, the concurrent result of all is, so far as I have examined them, that silver fluctuates more than gold, and that gold is the more stable of the two metals.

Mr. BARTINE. Will you name one of those authorities?

Mr. WARNER. Mr. Jevons.

Mr. BLAND. As compared with commodities, has not gold fluctuated more than silver?

Mr. WARNER. No, I think not; but it seems to me that is not the matter under inquiry.

Mr. BARTINE. Can you name another authority besides Mr. Jevons?

Mr. WARNER. I can name the London Economist.

Mr. BARTINE. I think you are mistaken as to the London Economist.

Mr. WARNER. I think not. I may be as to a few years, but not for any long period of time.

All these calculations are necessarily imperfect, in that they uniformly leave out of account in the first place the vast amount of transactions in which money plays a factor, and which affect transactions in all matters, such as rent, land transactions, etc.; and in the next place they leave out of account what seems, and what I respectfully submit, must be proper in a computation of the worth of currency, and that is this: The amount which the wages of a given number of hours of labor on the part of the average workingman will procure in products of labor, I believe that this is a standard by which, so far as any standard can avail, should be calculated the rise and fall in the producing value of money. I believe it is a more stable and a more fixed standard than the others, and as nearly unchanging as are the characteristics of the human race; and measured by that standard, gold has not appreciated. Wages in gold to-day are more than they were in 1860. Although there have been short periods of depression, yet on the whole the course of wages has been such as to show that, measured by the nearest possible immutable standard, gold has depreciated and the workingman or the capitalist can get more gold to-day for eight, ten, or one hour's work than he could get at any other time in the history of the world. I claim upon my part that this is a demonstration that gold has depreciated to that precise extent. That is my belief, and I respectfully submit it as an answer that should be sufficient to the claim, based upon less universal and less stable data, that gold has appreciated. I believe it has depreciated when measured in labor, and that that depreciation is a part of the workingman's share of the benefits that come from the cheapening cost of production and manufacture.

Mr. WALKER. What makes up the items of "cost" in manufactured products? Is it not the raw material, and the amount of labor in it, and the cost per hour for the labor?

Mr. WARNER. Yes, including transportation.

Mr. WALKER. Are not these the two principal items?

Mr. WARNER. Yes, sir; practically those are the two items.

Mr. WALKER. And, secondly, if wages have increased, as you have said, and if the results of these days' work, for which men receive more gold, are put into the hands of the producers of wheat, corn, and oats, so that less in number of bushels of wheat, corn, and oats buy these goods, does not that show that the men who give days' labor are getting more in gold on the farm, as well as in the shop, than before?

Mr. WARNER. As a matter of fact, farmers are sharing equally with the other inhabitants of the country in the benefits which have come by this increased and cheapened production.

RIGHTS AND OBLIGATIONS OF DEBTORS.

There has been another suggestion made, and that is that, for some reason not explained, this proposed legislation would be proper in order to enable certain debtors to pay off their present indebtedness at a much less sum than, if it is not passed, they will be forced to pay.

Let us see what the result of this legislation would be. Since 1873 every debtor has had a distinct understanding that his debt is payable in gold. Do I understand that it is proposed here, seriously—in view of the almost infinitesimal amount of older indebtedness now existing as compared with the contracts made since then and still outstanding—in order to benefit the few who owe debts more than 18 years old—to scale down the amount coming due to every creditor in the United States at the present time? If you say that this matter has been changing since 1873, and that on the whole that payment in gold would be a hardship to debtors, at least as regards debts now existing and more than 5 years old, is even their volume anything like as great as that of those less than 5 years old? And when you take into account the vast amount of current outstanding contracts, do you mean to say that in order to dole out charity to a few you are going to scale down the amount justly due to every creditor? Is it right?

Mr. BLAND. Suppose there should be no increase of the currency for the next 5 years, do you claim that the debtor would not pay more? Do you not know that there has been an increase in population and in business, and that these demands would require a vast increase in the volume of money, and if it was not increased that the debtor would have to pay more than he contracted for?

Mr. WARNER. I will answer that in this way. If you ask me would I be willing to have this currency restricted, I would say we should have all the currency we need. I am not in favor of restricting it. I am in favor of letting this country have all it wants. I believe in the greatest commercial facilities. This country is being settled up; our currency is made to perform a great amount of work, and all parties are able to get along. If this country wants four times the amount of circulating medium as that of any other country, I do not see any reason under heavens why it should not have it.

Mr. BLAND. How are we going to get it?

Mr. WARNER. By increasing the amount we have. The bill which is named in honor of yourself has provided currency at such a rate that the per capita amount of currency is increasing rather than decreasing, and the rental value of money is decreasing rather than increasing, and by the law of 1890 you have more than doubled the rate at which you propose to provide currency for the country.

Mr. BLAND. Then I understand you are quite willing, if you increase the volume of money, that it should be silver?

Mr. WARNER. I did not catch the question.

Mr. BLAND. The question is, you are willing if the volume of money be increased that it should be silver?

Mr. WARNER. If the people want it in silver. My idea is not merely that the people of the United States, shall have all the currency they want, but that they shall have what kind of currency they want.

Mr. BLAND. And if they want free coinage, then they ought to have it?

Mr. WARNER. There is no reason under heaven in a country that depends upon the manhood suffrage of its citizens why what a majority of the people want they should not have.

Mr. WALKER. And take the consequences.

Mr. WARNER. They will *have to* whether or no.

INTEREST OF WAGE-EARNERS.

Now, sir, I am coming to the one point upon which, when I came here, I expected to address you, and that is this: By far the greater majority of the working people of this country, and the voters of this country, belong to what are commonly called the wage-earning classes, those who sell their time and their efforts for money. It includes also the doctor, whose compensation comes in the shape of fees; clergymen, clerks who get salaries, the day laborer who gets what we call his wages. Now, sir, the question which more than any other comes right straight home to those people, the one question which affects them first, and by their decision upon this point ultimately this question will be decided, willy nilly, is this: Under the provisions of this act, under the inflation of the currency which it is intended to produce, can the wage-earner get more of the comforts and necessities of life for what he can get in wages in a given time than he can under the present system? Or, on the other hand, will the result, if this bill should be passed, make him accept less? This is the question.

Mr. BLAND. My question there is this; you say this is an important question to him, ought not that question to be left to him to settle?

Mr. WARNER. It is left to him to settle.

Mr. BLAND. Are not all these labor organizations throughout the country, the Farmers' Alliance, the Knights of Labor, and all of them banded together in great bodies demanding the free coinage of silver?

Mr. WARNER. No, sir; the solid masses of the laborers in our Eastern States are waking up and are protesting against anything which will lower the purchasing value of the dollar which they get.

Mr. WILLIAMS. They have not been here.

Mr. WARNER. That is true; the great mass of the people in the country have not been here, but only a few people who are interested in limited enterprises—and I do not blame them for coming here, this is the place for them to come—but you will hear, sir, from the country in a way which will leave no doubt as to what is the sentiment throughout the great working masses of the country.

Mr. BLAND. We hear from them in their resolutions from their organizations.

Mr. WARNER. I admit that there has been the biggest crop of resolutions for the small amount—I believe it is only \$10,000 or \$15,000—spent to get it that I have ever seen realized from the same expenditure in any political movement. I think it is perfectly fair and it is a proper way.

Mr. BARTINE. Allow me to suggest to you that Mr. Dunning, the duly accredited agent of the Knights of Labor and various other labor organizations, representing some 4,000,000 voters, has laid before this committee here a petition asking for the free coinage of silver, and the Farmers' Alliance of this country, and 35 States presidents have also presented themselves before this committee asking substantially the same thing.

Mr. WARNER. I am not aware of that, though I am willing to accept the gentleman's statement as true; but what I do know is this: I was elected to Congress last fall from one of the largest manufacturing districts in the United States. I know wage earners from one end of that district to the other; I have not been able to find a half dozen men who wish any such thing. It is the same throughout the rest of New York, and I know, when that matter is ever brought right square down to the basis of wage-earners' votes, that there is no more doubt as to what the decision will be than there is now in my mind as to what the workmen of my district want on the subject.

Mr. WILLIAMS. They have read one side mostly?

Mr. WARNER. Most of them have not read either side yet, but there has been sent to their officers a presentation of the free-coinage side of it. So far as the officers have had any opinion to express, a few have gone off upon it, but to-day the workmen have not, as yet, discussed, and have not had the opportunity to discuss, and have not informed themselves upon this question. The one thing they do know, and to which I am going to call your attention, is this: The silver men say, "Look how it was in the time of the war; see how this currency was inflated. Do not you remember what a lively time we had, how everybody had plenty of work and wages went up?" Now, I have been making some inquiries as to the circumstances in war times. There is no question but that, as its value was depreciated by inflation, that the result was to pay off labor in a money which was of less value, either compared with gold, or with what you could get for it as representing labor. And the men who made money at that time were not the labor or salaried class. They were the farmers, who produced wheat, corn, etc.; they were the manufacturers, who made goods for the Government; the contractors who supplied the Army with food, clothing, and arms, and the financiers who helped carry on the financial operations of the Government.

As to the returns of labor, I have gone carefully over a number of tables, some prepared by myself and some prepared by others, and while I find there is quite a difference between the precise conclusions, I find they are absolutely invariable in regard to this—and that these conclusions which I am about to state agree precisely with the data given me by every workingman whom I have been able to consult—and I have consulted hundreds. That is this, that taking a given amount of the necessaries and comforts of life, assuming, for example, the amount which the average workingman's family would use in a year, and taking the prices at which they could be procured in 1860 and taking his wages in 1860, and then taking his wages in 1861 and computing the price of those necessaries of life in 1861—the computation having been made in a number of different kinds of industries and in a number of different parts of the country—the invariable result has been that in 1861, in spite of the apparent lively times, and in spite of what people call plenty of money, the laborer was able to buy less for his immediate benefit with the wages he got in 1861 than he was able to buy in 1860 with the wages he got in 1860. That progression kept right up until 1865, and just in proportion

as the currency was inflated the price of everything the workman had to buy was raised, and at the time but not to the same extent wages were raised. The result was that as every year went past and the classes I have mentioned were making money, the workman had to content himself with less and less of the comforts and necessities of life for the money he was enabled to get for his labor, or else he had to work more hours to get these same necessities.

The result was that in 1865 (and I am taking the lowest and not the highest result of these calculations) he had to pay 300 hours' work at the wages of 1865 for what he bought in 1860 with the wages of 240 hours' work. In other words, a depreciated currency—although it brought about flush times, although it enriched the moneyed classes at the North, although referred to still as an advantage by many of our voters—had actually taken out of the workman 60 days' work in that one year. Then the currency began to appreciate and it did appreciate from then on, and every year there was a steady and steady progression and as fast as the currency appreciated the workman was enabled to get for his wages each successive year more and more of the comforts and necessities of life for the wages he got, although those wages were nominally less. Now, you may say, "That that sounds very pretty, but you have got to account for that. Where did the money go to, that the workman lost between 1861 and 1865? Where did the money come from, the money he gained after 1865?" The answer is a perfectly plain one. The money that the workman lost between 1861 and 1865 on account of the depreciation of the currency went to make other people rich, the financiers, the manufacturers, the men who produced anything or who manufactured anything or who handled money or who dealt with the Government. You may ask where the money came from after 1865; it came back from those very classes until they got poorer and poorer as the wage-earner got better and better off.

And so, gentlemen, returning to the suggestion that I made almost at the beginning of my remarks, while I believe that in justice and fairness to all classes—and the laboring man is entitled to no more fairness than the capitalist or the farmer or manufacturer—it is desirable that the subject of coinage be stabled in its worth, yet the facts are that the appreciation of the value of that coinage, even though it bring about a comparative scarcity of money, is a gain to the laboring man. The depreciation of that coinage, even though it bring about a great increase of the volume, is a damage to the laboring man. And, therefore, speaking on behalf of the wage-earning class of this country, while admitting that what we want is a stable currency, we say that if we are to have a change either way we would rather risk an appreciation than a depreciation. They prefer appreciation; they prefer prices should go down; they can get more for their wages. In other words, wages are the greatest commodity known to commerce. They rise more slowly than do other prices, and, Heaven be thanked, they fall a little more slowly than do other prices, but not as slowly as they rise.

Another point: The present situation is a great deal different from the former situation. The "good times," as they are alluded to by some people, between the years 1861 and 1865, were not caused by the increase of the volume and depreciation of the currency. They were caused by the fact that a solvent Government was buying at a rate which made a market, and a very quick market, for everything you could produce or make—an unparalleled market for all products and manufactures. It bought from the people so fast that, although it taxed them very heavily and spent those taxes, yet at the close of the war it had

borrowed from others than those from whom it bought, \$3,000,000,000 to pay for what had been bought in that market thus created. At that very time, also, the Government was helping the labor market by drafting off into the Army, first by hundreds of thousands and then by millions, men who otherwise might have competed for work; and until the contract labor law of 1864 was passed, immigration was practically suspended. Now, sir, if under these circumstances—with the Government furnishing a vast market that it is not expected to furnish in the immediate future, with the Government propping up the labor market by furnishing employment for hundreds of thousands and millions which it is not now expected to do—now, with immigration increasing at an unexampled rate—can we expect but that the condition of the wage-earners in this country will not be very much worse in case we attempt to try an experiment now under new conditions than it was in 1861-'65?

CONTRACTION AND VALUE OF MONEY.

Mr. WILLIAMS. You state in your argument that you believe that free coinage would drive gold to a premium and contract the currency?

Mr. WARNER. Yes, sir.

Mr. WILLIAMS. Now, after that contraction, would the dollar of the wage-workers have a less or greater purchasing power than it has now?

Mr. WARNER. A less purchasing power.

Mr. WILLIAMS. The currency would depreciate and it would contract, we would have less money in the country to do the business with?

Mr. WARNER. Yes, sir.

Mr. WILLIAMS. And we have the same demand for it, but the purchasing power, you say, is less?

Mr. WARNER. It depends upon what you call "demand."

Mr. WILLIAMS. But the purchasing power, you think, would be diminished?

Mr. WARNER. Yes, sir; the reason why the purchasing power of the dollar would diminish would be because that dollar would represent a worth in commodity of only about 80 per cent., or at present somewhat less than that, of what a dollar represents now.

Mr. WILLIAMS. Let me make this plain. I mean with that silver dollar then in circulation and having a contracted currency, would that dollar, in your judgment, buy less of the necessities of life for the laborer than the dollar he has now without a contraction of the currency?

Mr. WARNER. I have given you the reasons why I think the result would be it would buy less. Now, you have suggested another reason why (and such, I infer, is your opinion) there would be a tendency to appreciate the value of the dollar on account of the lack of currency in proportion to the demand. I believe, sir, that temporarily—and I wish to emphasize the word "temporarily," because it would be very temporary—that there might be for the time being a little appreciation of the currency on account of the lack of currency, you may say, of money as such. I believe, however, that in the first place we could not continue that any great length of time, because, everybody knowing that this Government was prepared to turn all the silver of the world into money, I can not see how anybody would have any apprehension but that there would be currency enough. Again, the laborer is not hurt but rather helped by the appreciation of currency, provided there is plenty of currency. He would be hurt, as would everybody else, by any clogging of the mind or lack of currency caused by the damage to the credit, and in my opinion the damage to credit by enacting the pending bill into

law would very far outweigh the possible advantages of the appreciation, which, under other circumstances for the time being, might accrue.

INSURANCE AND BENEFIT ASSOCIATIONS. AS DEBTORS.

That is a point to which I wish to allude now and that is this; that not merely the depositors in savings banks, in large proportion, although I admit not entirely, are what may be called the wage-earning classes; but that there are a very large number of other different forms of savings coming under the head of benefit insurance in which, together with the savings banks depositors, are personally interested a very large majority of the working men and wage earners—who are a majority of the voters—in all of the Eastern States. These men do not wish a depreciated currency in order to help them pay their debts. In the main they are creditors rather than debtors. They will not, if they can help it, permit such legislation as will cut down the savings of the depositor, who has made a deposit for the benefit of his little children as they are born that they may be helped in the world; which will cut down the value of the life insurance upon which their widows depend for support; which will cut down the weekly indemnity in case of injury, which will cut down the value of the burial funds by which they propose to tide over times of worst misfortune and to be enabled to receive an honorable burial themselves. The number of 1,200,000 depositors suggested is very far below the number of workmen who are interested in the various forms of benefit, indemnity, and burial insurance, and every single man, I believe, will oppose to the utmost any attempt to depreciate the purchasing value of the medium in which that insurance is to be received when misfortune or death comes. On behalf of wage earners I do not ask that they shall receive more, but I do assert that they can stand an appreciating currency—and they are a majority of the American people to-day.

Mr. Chairman, I desire to thank the committee most heartily for the courtesy that has been granted us, and to assure you that had we had sufficient confidence that we would be allowed to thus trespass upon your time we would have brought many more and better qualified men than myself to discuss the question.

STATEMENT OF MR. STEPHEN W. NICKERSON, OF BOSTON.

The CHAIRMAN. Will you please give us your name and occupation?

Mr. NICKERSON. My name is Stephen W. Nickerson; I am a lawyer by profession, and Boston, Mass., is my residence.

Mr. Chairman and gentlemen of the committee, at a meeting of citizens of Boston held at Faneuil Hall last Friday evening I had the honor of presiding because I had never been actively engaged in politics; and I assume that was the chief reason why I was asked to preside and why I am here in performance of the duties resulting from that meeting. The meeting was enthusiastic, unanimous, and composed of people of all classes. They were not dominated by people of any one special class.

Mr. COMSTOCK. Was that the meeting at which General Warner, of Ohio, spoke, and other gentlemen?

Mr. NICKERSON. Yes, sir. The people of our section are not a unit against free coinage, although the gold mono-mentallists try to make you believe they are, and say that no free-coinage people have appeared

here from that section. Our meeting and the resolutions coming from it was a meeting spontaneously held, and not a dollar, as insinuated here to-day, was expended in producing those resolutions, not a dollar was spent except in honest expenses. I will read the resolutions because they embody in better words than I can put them, perhaps, the opinion of our people.

Memorial of Boston citizens.

FANEUIL HALL,
Boston, Mass., February 13, 1891.

Whereas a persistent struggle is being waged throughout this and other gold-standard countries by trusts, combinations, and other harmful alliances organized to stay the downward tendency of prices which began in 1873, resulting in counter combinations of labor to secure living wages; and

Whereas stability of prices and industrial prosperity can be secured only by stability in the value of money and by constancy and regularity in the money supply; and

Whereas the restriction of the money standard to gold alone has resulted in a vast increase in the value of gold itself, as shown by the fall in prices, of more than 33 per cent. in 17 years, while silver bullion has maintained a fairly stable relation to all the great stable commodities of the world:

Therefore we, the citizens of Boston in Faneuil Hall assembled, do denounce the change in the money standard of the United States from silver and gold, as established by the Constitution, to gold alone, which was clandestinely carried through Congress in 1873 without the knowledge of the people and in the interest of the creditor class, and we demand the restoration of silver to its constitutional place as a money metal by the side of gold, with all the rights of mortgage and legal tender which both metals possessed before 1873.

STEPHEN W. NICKERSON,
President.

EDWIN M. WHITE,
Secretary.

CAUSES OF FINANCIAL DEPRESSION.

The people of our community have realized that the struggle for existence is becoming harder and harder. They have seen that the great bulk of our population relatively to the rich class was growing poorer and poorer. They have seen the enormous power wielded in the hands of a few great fortunes, and the tremendous control exerted by a few men and corporations, and its results. They believe this is still a free country, but very seriously they are asking how long it will remain a free country if this immense power of money continues striving to break down their individual industries. The people are waking up on this question; the lion is waking; he has heretofore been sleeping. The trouble, as our people view the money question, is that it and legislation concerning it have been regarded solely from one point of view, perhaps more from want of thought than deliberately. That this legislation was intended to benefit a special class and it is fully realized that the benefit to result to a special class, has been a most potent factor in obtaining the legislation of the past.

It has been the custom to allow our legislation concerning financial matters to be controlled by the views of those living upon the Atlantic seaboard, and almost entirely in the great centers of population. The needs of one class of people and the requirements for business of a certain character may be, and we believe are, radically different from the needs and requirements for business of people of a different character; and, as we all know, this country contains all classes of people and all kinds of business. Our people see that many men are unemployed. They find it is true not merely of the laborer, in the com-

mon acceptance of the term, but it is also true of men of bright minds and education; it is true of intelligent men, and courageous men, and able men, whose ideas rise above the mere drawing of water and the hewing of wood. They are asking the reason why. When they ask for more money, they are told that they should go to some credit shop or bank and get credit given them; to paraphrase that, they are told to go somewhere and sue for favors. They reply, all men must use money in proportion to their business; why should we be compelled to go to one class of men and ask for that which all men have to use?

We have no criticism to make upon our savings banks in the East; they are wisely administered, prudently managed, and in the main blessings to the community. We have no criticism to make upon our national banks in some respects. Many of us think no bank should be a bank of issue, and do not believe that the Government should grant to a special corporation or a special class of people one of its sovereign powers, perhaps one of the most important sovereign powers of the Government; but our people say national banks under Government supervision, inasmuch as they are hedged about with safeguards, are excellent institutions, and as banks of deposit are great boons to us. Our people are not in an attitude leading them to antagonize existing financial interests; they are not in a position leading them to find fault with established interests in the main; but they are in a position to demand certain things that they feel they are justly entitled to have. They feel that while their minds have been taken up with other considerations and other questions, of themselves far less important than the question we are discussing, legislation to their disadvantage has been passed secretly in some cases, and in others glossed over with fair words.

We believe credit is an excellent thing; that a credit system admirably conducted is a good thing for many purposes, and increases the amount of business done, but we believe the credit system should not be allowed to run wild. We question the opinion of those men who seem to believe there is a moral obliquity in cash transactions, and who want all business and commerce transacted by one man giving another man a check, and the latter man compelled to go to a bank and get the money, or in having these checks to pass through a clearing house. People are perhaps not too prone to find fault with existing institutions. I have been perfectly surprised since I took a somewhat prominent position in this movement in our committee at the number of letters I have received commending my course and at the number of callers I have had. One gentleman I remember in particular, standing high in our city socially and in a business sense, with tears in his eyes said to me, "We want more money. I am with you heart and soul, but I do not dare to come out; and when I have written a little something once or twice for free silver coinage they pulled on the financial halter which is around my neck."

It has been stated here to-day that the Argentine trouble has nothing to do with the panic here, etc. Let us see whether it had anything to do with the stringency here. We all know that everyone of the great banking houses has more or less idea of what another banking house in the same country may be occupied in. Anyone who is acquainted with it or who gets a more or less superficial knowledge of the arrangements of what the French call *la haute finance*, knows this is true abroad. Can you doubt that the great banks and bankers in Paris and in London were aware for a long time that the Barings had been at-

tempting to do too much, that they had gone too deep in certain directions? For a period of two or three years no doubt some far-seeing man knew what was coming; for a shorter period, perhaps, many others knew what was coming, no doubt. For many months before the trouble in November, I think it was, they had been sending from abroad to this country securities for sale, because this was a country where they could get the money for their securities with less loss than anywhere else. If they had thrown such a quantity of them upon the market in other countries it would have caused such a disturbance and depression in the value of those securities that there would have been tremendous losses. The amount of securities precipitated upon our country, to be sure, caused some trouble, and decline in prices and some loss.

What caused the Argentine trouble, and therefore what caused the resulting trouble here, was really an attempt to do the vast and increasing business from London upon a decreasing supply of gold upon which to do that increased business. And when a call for a substantial amount of gold was made by a foreign government, to whom the information of what was happening had been given—when that call was made—there was but one place to go for gold and that was the Bank of England, and the Bank of England did not have it, and it went to the only place where they knew they could get it. This caused the people here to take alarm, and where would our banks have been last autumn during that trouble if they had not had the silver in their reserve?

Now we are told there is plenty of money in this country. They say that you can go to Boston or New York to-day and borrow what money you want upon a low percentage. That looks all right upon the surface; let us look underneath. You will find that one of a bank's directors, the gentleman being perhaps a partner in some business firm, is able to get the accommodation his firm needs; but let any one without special facilities, and without a claim that comes from long dealing and large accounts, let him apply for a considerable loan upon good security, and they will charge him to-day a large rate of interest, and not the low rates of interest you see published to the community, which are nominally small. Moreover, I know of my personal knowledge, during the worst of the monetary stringency of last autumn a loan was made upon what is called gilt-edge security, at 4 per cent. for a large sum in our city, and that transaction then attracted attention from the high rates money was bringing. But when you get at the facts, the fact was that that loan was made by a trustee of a very large estate who had to invest that sum of money in a good and safe investment. It was no more a criterion of the real financial condition of our city at that time than it would be a criterion of my real condition if you saw me walking on my head; it would not be my normal way of moving.

SILVER, WHEAT, AND COTTON.

Now, our people have been told, why you propose to drag this country by free coinage down to a silver basis. Gentlemen, we are already upon a *demonetized* silver basis as to some of our products. When your farmer in the West and South raises wheat and cotton he enters the field of competition against other raisers of wheat and cotton in this world. Some of the chief raisers of wheat and cotton in this world are paid in a silver coin at a lower ratio than ours is coined, and in a country where silver is not demonetized, and paid, too, with our cheap demonetized silver bought here on the one hand, and passed by the mechanism of exchange to Calcutta and elsewhere, and there paid out

at high prices. Is it not banking upon a demonetized silver basis when the price of wheat, for example, being fixed as we all know in Liverpool—where, for example, wheat is in competition with Indian wheat—and the Indian wheat is paid for in American silver at the Indian estimation of silver, which silver has been bought at the lower demonetized American estimation of its bullion value? Why, can anything be plainer and clearer than that this operation is at our expense?

NEW ENGLAND INVESTMENTS IN WEST AND SOUTH.

Now our section of the country is prosperous as a whole; it ought to be. The legislation of this country has been playing into the hands of our section and New York and thereabouts for years. We have been getting the benefits of all the past legislation, and they have centered and gathered there, and still our laborers are fairly prosperous, and though they have small mortgages they are prosperous. Our local railroads, because of their local positions, because of the density of our population, and because of the lack of competition are prosperous, yet New England is not in all respects prosperous. Boston and, to a great extent, New England are living upon the interest of their Western and Southern investments. Now, our people within two years have had to consent to the reorganization of one of the vast southwestern railroad systems of this country. They were told by the bankers having it in charge, who prepared an elaborate system of reorganization, that they must accept a smaller rate of interest on some of the bonds; they were told by the bankers having this in charge that if they did not accept the proposed plan of reorganization it would disintegrate the system, and therefore the people consented. Great efforts were made, differences were forgotten, and all the agencies were set at work to render that reorganization possible, and to carry it through—because why? Because the people knew it meant the disintegration of the system and consequent enormous losses if the bankers' plan was not carried out.

Now it is true there are other elements in the railroad question that do not enter into some questions we have in mind in the discussion of the silver question; there are other considerations, important ones, that are well understood; but if you largely depend upon your farmers, upon your rural population to support the railroad system, thereby earning the interest on the bonds, and thereby the interest is returned to the investor, you should not do any wrong to your farmer which renders him less able to pay the interest. Such facts as that reorganization, involving millions of dollars, have set our people to thinking. A great many millions of New England's money during the last few years—and it has been customary for a long period—has been invested in Western farm mortgages, and has been invested in debentures based upon those mortgages; and during the past year or two there have been numerous defaults on the interest upon these Western mortgages and debentures. Some of the most important companies having headquarters in our city have gone out of business. In one case the collapse was so great that an officer of the company took possession of and carried off the books when a receiver was appointed by the court, and the receiver had to publish advertisements to have the people send in memoranda of the mortgages so he could get some idea what was the condition of that company. He hasn't got the books yet.

Mr. WALKER. Advertising what?

Mr. NICKERSON. As to who held the bonds and mortgages that they issued. These investments in Western farm mortgages and debenture bonds are becoming of such magnitude that in the report preceding the last annual report of the commissioners of our New England States there has been a note of warning. The savings banks have a warning not to invest so rapidly in these. How does this affect the silver question, you may ask. Simply that New England finds that the class of investments in the West that formerly paid amply is gradually ceasing to pay at their old rates, and that many of them are ceasing to pay at all. This is the direct interest that New England has in the silver question, and has caused our people to think. It is no longer possible to sneer at a man who wishes more money, and tell him that a silver dollar is 82 cents, or 83 cents, or 78 cents, or 72 cents, or whatever it may be, according to the local quotation of bullion in New York City. Our people realize these are superficial answers, and they have said they want to know more, and they have been sending for information, and they are very rapidly getting it.

INSTABILITY OF GOLD.

We are told that gold's value is always stable, and we have learned to know it is not. Our people have learned that gold varies in value like everything else; they have learned that silver, being a larger production, has a more stable value as to the great products, the great crops; and so it ought to be, while the present relative productions of gold and silver continue more stable. They have for a long time accepted the opinion which was supposed to be the more respectable opinion about silver, and which therefore seemed to be the more accurate opinion; but they have learned better. We have found the opinion of men having special interests, and a special bias, of those who were financiers, and supposed to be a more respectable and a better class of the community, is not always the correct opinion. I have been surprised to find that many of our poorer people understand this silver question a great deal better than bankers and some so-called financiers. The bankers and financiers know a great deal about exchange; they are thoroughly informed about banking matters; but they know surprisingly little about economic theories; they seem to be, many of them, entirely ignorant of the later and better learning on these matters. We had yesterday before us a gentleman whose surprise at the idea of gold having changed in value was so ingenuous and so innocent as to occasion laughter here.

Now, as an illustration of the question, a gold monometallist thinks he makes a great point when he says, "Have not the wages of labor increased?" Admitting that they have, also remember *always* that labor is the only thing in this world governed by the law of supply and demand that we can *think*. Labor is the one commodity, so to speak, that can *reason*; and that reason has been put to work to prevent the depression of the wages of labor; but in no other way has the wages of labor been kept higher perhaps than it would otherwise have been. But I allude again to the fact that many of our laborers are out of employment, so that the total population is not always employed.

Mr. BARTINE. Have you the figures upon that point?

Mr. NICKERSON. No, sir; but you can find them in the Massachusetts State Census reports, and quoted in a number of speeches upon the question made recently, where the matter is treated with great ability and most exhaustively.

There are said to be about 40,000 people in Boston to-day idle—one out of nine. There has never been a time in the history of this country, so far as I am able to learn, and certainly not within my brief life, when there were so many idle people in our city—save at the period which immediately followed the demonetization of silver—as are idle to-day. Men have said to me, “During the war and subsequently prices used to be very high; flour was \$10 and \$15 a barrel, but I could get the \$15, but now,” he said, “I can not get the work,” and he asked, “Why is it that in this great, brave, strong country, extending from sea to sea, with every variety of climate, with every variety of production, with a population certainly not inferior in capacity, physical or mental, to any other; why is it that here there are men idle when there are good things that ought to be done in America, when there are desirable enterprises that ought to be carried through? Why is it they are burning corn in the western country, and in one case their furniture in place of firewood in Kansas?” They have asked me why it was, and I told them I thought I knew; that I was sufficiently convinced that I knew what the reason was, to be willing to lend what little efforts I could give to remove the reason of this idleness and remove the reason for this suffering.

But we are told we must not do anything to hurt the creditor. This country has not done anything to hurt the creditor that I am aware of. It certainly has done a great deal to benefit the creditor during the past 15 or 18 years. Really it seems to me most careful now not to do anything to hurt the creditor, and we do not propose to do it; but, Mr. Chairman, in regard to this matter of hurting the creditor, I think of the number of debtors who have been hurt; I think of the number of homes broken up; I know of an instance where the home of a client of mine was broken up during the past week to be attributed in direct connection with this. We are told we must do nothing to hurt the creditor; *we have been hurting the debtor*. I think it can be well illustrated by the remark of the old judge who was holding criminal court, and a man was brought before him who was said to be a very guilty man. A suggestion was made which is familiar to you all, that it is better that ninety-nine guilty men escape than that one innocent person should suffer. The judge said that that was true as a principle, but he thought that the ninety-nine guilty ones had already escaped in that county. We think that the creditors have been well dealt with, and we think it is time that the debtors should be put on an even keel, and that they should be allowed to bear their burdens evenly with others. We do not ask that silver be remonetized for debtors alone; we only ask for the justice we are entitled to as American people, and which as American people we will have.

But it has been stated, and I have referred to it before, that gold is always stable in value. Now, I am asking you for a moment to remember that the city from which I come has, I think, the largest amount of banking capital of any city in this country relatively to its population. It is a great, proud, prosperous city. There is one street in our city a mile in length which is said to be the handsomest street in the world. We have certainly a population intelligent about many things. We have a population in Boston to-day, by the last United States census, that has increased about 33 per cent. over its population of 15 years ago. The exact figures show, for I wish to be exact, that our population by the State census in 1875 was 341,919 persons; by the latest United States census our population is 448,477 persons, practically an increase of 33 per cent. Now, I will ask you also to remember, and

then I will get to the fact, that we have an expensive city to run. We are now laying out an elaborate park system, we have just finished an elaborate sewer system, we have in the recent years completed our elaborate water system; ours is an expensive city to run and our tax rate is high. We have a State law forbidding the incurring of a city debt above a certain percentage in amount. We are constantly going to our legislature and asking a temporary abrogation of that law to permit us to borrow some sum of money for some special purpose, and we are even compelled to go without things we need because we have not the funds to have them done; proper street cleaning is one, and other things of that kind. The point of that is this: there is every incentive to make the taxes of our city high; there has been every incentive in the assessment of taxes on all classes of property to find a large total upon which to tax.

Now, as to the question whether gold has increased or decreased in value or remained stationary the in market, the amount of the assessible total value of property in Boston in 1874 was \$798,755,000, and some odd dollars. The total valuation of Boston in 1889 was \$795,433,000, and some odd dollars. In other words, that city which has increased more than one-third in population—I do not know what the comparison is in houses for business purposes and various manufactories—is not worth as much money, and the whole property can not be valued as high by about \$3,000,000 as it was 15 years ago. Is there any escape from the inevitable conclusion that the unit, the dollar, has increased faster than that city has grown—

Mr. TAYLOR. Probably you did not have the same assessors.

Mr. NICKERSON. We have had various assessors in that time, I presume. Admitting, Mr. Chairman, that we have had a change of assessors, admitting there have been assessors working in the interests of gold monometallism, if you can say so, would the people have permitted it; would not some man who wanted a street put by his land, or some one who wanted the city to lay out a park or buy a piece of his property, call attention to the fact that the assessment was false and wrong?

Mr. TAYLOR. I have not yet known a man to complain that his assessment was too low.

Mr. NICKERSON. Not one who has got taxes to pay. It seems to me the fact of the appreciation of the gold dollar unit is shown conclusively in our city where property has not readily depreciated, because the buildings in our city and the character of the property are certainly of a high class; and our property in that city has gained in quantity and quality, and it has not deteriorated during these 15 years. New England is small; our city limits are not very great. Our houses sometimes do not spread over so much land as in some more favored sections of the country, and we content ourselves with putting a little better thing on the limited space, and we have property in our city that does not deteriorate in value. Bricks and mortar, gentlemen, do not seem to deteriorate.

BENEFITS OF FREE COINAGE.

Mr. TAYLOR. You are in favor of free coinage?

Mr. NICKERSON. Unquestionably.

Mr. TAYLOR. Why?

Mr. NICKERSON. For several reasons.

Mr. TAYLOR. Give me one; first give me the main one.

Mr. NICKERSON. I believe this country needs a greater volume of money per capita, and a greater volume of money in proportion to the amount of business done.

Mr. TAYLOR. If we are putting up the price of silver in this country under the present bill, how will you give us more; if we are using all now under the present law, how will you give us more silver?

Mr. NICKERSON. That can be answered in either one of two ways.

Mr. TAYLOR. Give it in your own way.

Mr. NICKERSON. From the point of view of the gold monometallists the free coinage of silver is going to bring a great deal of silver here.

Mr. TAYLOR. Now, answer it in your own way.

Mr. NICKERSON. From the point of view of the silver men, I suppose that could be answered, first, by increasing the volume of the output, to some slight extent, of our mines; it will also benefit the country because it broadens the basis of credit.

Mr. TAYLOR. But you are getting off on another subject entirely. My question is, from your argument you think we need more money.

Mr. VAUX. More silver.

Mr. NICKERSON. No, money. We are not enemies of gold.

Mr. TAYLOR. How can we get it since we are using all the output?

Mr. NICKERSON. Then comes in the inquiry, what is your objection to it.

Mr. TAYLOR. I am asking you the question. I am not on the stand; I am asking you where you will get it if we are using the output of the mines now?

Mr. NICKERSON. I will give you one of my reasons for wishing silver remonetized; I believe it would stay the decline in prices; I believe the remonetization of silver would relieve our people from such disadvantages in competition with the world's market as they are now laboring under.

Mr. TAYLOR. How, if it gives us no more money; how would it give us more money?

Mr. NICKERSON. Take, for instance, the result in the cotton business—

Mr. VAUX. How would it give these men, these workmen of Boston, who you say are intelligent and have nothing to do, something to live by—

Mr. TAYLOR. If they have no more money?

Mr. NICKERSON. Which question shall I answer?

Mr. TAYLOR. Either.

Mr. NICKERSON. Then I shall answer the first one.

Mr. TAYLOR. My question is, assuming it gives us no more money.

Mr. NICKERSON. Our American cotton competes in the markets of the world with every cotton-raising country in the world. Now that competition is with countries using silver, your cotton is in competition with people whose estimate of silver is higher than ours of its value. The Indian ratio being 15 to 1 and our ratio being 16 to 1, that gives more silver. Now, Indian cotton is paid for in silver at its price depending upon the gold value of silver in London. You go to India and you say silver has fallen during the past few years, and an Indian would laugh at you. He would admit that silver will not buy as much exchange on London as it used to; so the American cotton raiser is competing in the cotton-raising business with the Indian, who puts a higher value upon silver than the American does. In other words, the people who consume Indian cotton and American cotton—the price of cotton you will remember is fixed by the price of the exportable sur-

plus—are buying silver of Mexico and of America at the American demonetized estimate of it, and paying it out in India at a 15 to 1 ratio where it is not demonetized. Now, the remonetization of silver will render it impossible for anyone to buy silver bullion at any less price than the United States Government coins it at. Therefore after remonetization, to pay for cotton, whether American or Indian cotton, they can not buy cheap bullion and pay with that; but they must pay in silver at the remonetized price. Is that clear to you why I think that the cotton raiser would be benefited by the remonetization of silver? Now, that same argument will apply to a great many of our products, because we are raising generally all the agricultural products of commerce, and therefore we ought to protect every producer in like manner.

Mr. TAYLOR. Then it is cheap money you want, not more?

Mr. NICKERSON. What we want is oil enough so that the machinery can turn.

Mr. TAYLOR. We agree on that.

Mr. WALKER. As you seem to have a vast fund of information, there are some questions I wish to ask you, and you will be present to-morrow?

Mr. NICKERSON. Yes, sir.

Thereupon the committee adjourned to meet to-morrow, Wednesday, February 18, at 11 a. m.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,

Washington, D. C., February 18, 1891.

The committee met at 11 a. m., Chairman Wickham presiding.

CROSS-EXAMINATION OF MR. FRANCIS G. NEWLANDS.

OBJECTIONS TO FREE COINAGE REVIEWED.

Mr. NEWLANDS appeared before the committee. He said: Mr. Chairman and gentlemen of the committee, I wish to make a brief statement of about 15 minutes, and then I will be pleased to answer any questions which the committee may propound. I have been here during the past few days on a kind of enforced attendance, yielding as a matter of courtesy to these gentlemen from New York and Boston. When I was on the stand about half of my time was taken up in responding to inquiries made by the gentleman from Massachusetts.

Mr. WALKER. I did not take up half of your time.

Mr. NEWLANDS. I thought you did. Now, we have listened to much sophism during the past 2 or 3 days. The powers of the banking and money lending classes of this country have been aroused, and all have massed their best intellects here for the purpose of influencing legislation. The roar of this cannonade seems to have deadened the sound of the musketry from all other parts of the country. I wish to call the attention of the committee to the fact that the friends of silver are the masses, and that they consist of too many people whose interests are too small to enable them to gather individually here and have their concentrated voice heard. But they will be heard at the election in November, 2 years hence.

Mr. COMSTOCK. This is not a political gathering.

Mr. NEWLANDS. Economic axioms have been denied here. We are told that we can contract the volume of our currency and yet depre-

ciate the value of every unit of that currency. This has been the line of reasoning throughout. Now, I want to bring the attention of this committee to the fact that these gentlemen are exaggerating the facts and are making predictions based upon such exaggerations. If we restore the conditions which existed prior to 1873 we will have a bi-metallic standard; and the question is whether we shall strengthen that standard, to which the faith of the nation is already pledged, or whether we shall weaken it. We hear a good deal about inflation. Is there any scheme of unlimited paper inflation proposed? I say no. We simply propose to limit the currency of the world and of this country to the natural product of the mines. Do we propose to throw this country open to the invasion of the silver coin of Europe? No. We propose in any legislation which may be adopted upon the subject of the free coinage of silver that provision shall be made to prevent the coming to this country of foreign coin, if such a fear is apprehended. We do not propose to encourage the nations of Europe in abandoning bi metallism. We propose to insist upon their maintaining the limited bi-metallism which they at present enjoy, and we propose to encourage in this country a policy which will strengthen this country and its whole financial system.

Mr. COMSTOCK. Do you think that you could accomplish it?

Mr. NEWLANDS. I think we could. I have no objection to putting in a limitation in reference to foreign coin. I say make a regulation which will prevent the coins of Europe being put into the melting pot and sent here, and if you do that you will necessarily limit the free coinage of silver to 120,000,000 ounces annually. The world's annual product is only \$100,000,000.

Mr. WALKER. One hundred and sixty-two million ounces were produced last year.

Mr. NEWLANDS. No; I do not understand that that is the case. The coinage value may have been \$160,000,000, or thereabouts, but that makes only 120,000,000 ounces. What proportion of this can we get? Are you aware that the population of this world is 1,400,000,000 of people, and that the population of Europe is 400,000,000? Europe has only 400,000,000 of the world's population, and all the rest of the world uses silver. Are they going to abandon the use of silver in China and India, throughout Asia and America? Will not a large amount be required in Africa for the purpose of aiding the advance of civilization there? Is it to be claimed that these new countries which are constantly being opened up are not going to demand more money and more metallic money, and can they get gold? Is there an intelligent man who will insist that the product of gold is more than \$100,000,000 annually, and of that \$100,000,000 of gold only \$15,000,000 are available for the world's supply of money, so that we have an annual product of only 120,000,000 ounces of silver, and a thousand million people are to be supplied with that?

Mr. COMSTOCK. I know it is stated that the production of gold is only 100 millions annually, of which 85 millions are used in the arts; but the coinage of gold is \$100,000,000.

Mr. NEWLANDS. That includes recoinage.

Mr. COMSTOCK. Where is it recoined?

Mr. NEWLANDS. In England, France, Germany, the United States, everywhere; they put the coins into the melting pot and recoin. That is going on all the time. I say that, according to the best authorities the total production of gold is only \$100,000,000 of gold annually, of which \$85,000,000 is used in the arts and dentistry.

Mr. COMSTOCK. I see that we have a coinage of \$145,000,000 annually.

Mr. NEWLANDS. Part of that is recoinced from gold already in the shape of gold coin. In addition to that, the gold which is used in the arts and in dentistry, is taken from the coined gold. The gold miner in this country, instead of selling his bullion directly to the jeweler or manufacturer takes it to the mint and has it coined into dollars, generally twenty-dollar pieces, and these gold coins are taken and turned into the arts and the various manufactured products.

Mr. BARTINE. Every time a gold coin goes out of the country it becomes recoinced.

Mr. COMSTOCK. What is the amount of the recoinage?

Mr. NEWLANDS. I can not tell; but if you wish any proof of that subject, I will make it overwhelming.

Mr. COMSTOCK. We were told during the last session of Congress that if we purchased 54,000,000 ounces of silver a year that that would cover the American product. We were told that there were no other sources of silver now obtainable. We are told now, after purchasing this vast sum, that there are about 12,000,000 or 15,000,000 ounces in New York; and we are further told that we are exporting more silver than ever before. What is the American output? Where has this store come from if it be true that we are only producing 54,000,000 ounces and exporting some?

Mr. NEWLANDS. Under the existing law, the purchase is not confined to the production of the American mines. It is true that our purchase is about equal in amount to the product of the American mines, but bullion produced elsewhere can come here. It can come from South America or Australia. It is not limited to the American mines. I do not think that this store in New York was the result of the legislation last year.

Mr. WALKER. Did it create the legislation?

Mr. NEWLANDS. No; it occurred in anticipation of a rise. If the law had passed early that accumulation would not have occurred. The bill was discussed for a long time; favorable legislation was expected, so silver bullion was gathered in New York and held for a rise. You must also remember that the effect of the passage of that law was to increase the price of silver. England had been accustomed to buy silver in this country and to buy with it wheat and cotton in India, and she then reversed her policy. Instead of buying silver she bought her wheat and cotton here, and our exports of those products increased in that way, and there was a very considerable decline in her demand for silver. She had been accustomed to taking a great deal of it for years, and that demand was withdrawn, and hence the accumulation of silver here. But that was to the inestimable advantage of the American wheat grower and the American planter. It is estimated that they made \$75,000,000 in that way.

Mr. WALKER. Now the price of silver has gone down.

Mr. NEWLANDS. The price of wheat and cotton has always gone up and down with silver.

Mr. WALKER. I deny that.

Mr. NEWLANDS. Silver has gone down now, and the price of wheat and cotton has gone down. I say, assuming that we have to take the whole of this \$120,000,000 of the world's annual product of the mines—and this is all that free coinage means—we advance the price of silver to 129; we create for wheat and corn planters a market in England, which enables them to compete with the cheap labor of India, China, and Egypt. We have a metallic currency backing every dollar of our

Treasury notes, and we add to the wealth of the producers of this country. But can we gain the whole annual product of silver? These 1,000 million of people of the world are reaching out for this annual product of silver from the mines, and how can we get all of it? But assuming that we do get it, what will we do with it? We must increase our volume of money in order to maintain our present per capita.

A great deal of criticism has been indulged in here with reference to per capita circulation. They say that we do not take into consideration the existence of this vast volume of credit. You must remember that this credit which they claim is as good as money, this "confidence money" as my friend General Warner terms it, and I think very properly, is not a legal tender. It is the money which flees when it is most needed, and it is that which constitutes this superstructure of credit and not the actual money which is a legal tender. In case of trouble, this confidence is destroyed, the superstructure falls and the wreckers come in and pick up the fragments, and the wealth which has been accumulated by the hard toilers between these periods of panic is turned over to these wreckers.

I say, there is only one way to determine the proportion which money shall bear to the wants of the country, and that is per capita. The present per capita circulation is at present \$22 per head. To maintain that per capita, with the increase of population in this country, we are compelled to issue \$50,000,000 more in money every year. Can we get it from gold? I answer no. There are only \$15,000,000 in gold for the world's annual supply, and the civilized nations of the globe are reaching out for it. The Argentine Republic and other South American debt-owing countries are also after it. This is the "gold blanket" which is being constantly tugged at by the nations of the world and every tug uncovers the naked members of some country. To maintain our per capita we will have to increase our medium of circulation at the rate of \$50,000,000 a year. What element of contraction also exists which increases our demand? The national-bank circulation 3 years ago was over \$300,000,000 and now it is \$180,000,000. It is being retired at the rate of \$30,000,000 a year. We can then add \$80,000,000 or \$90,000,000 a year to the circulation without increasing the per capita, \$80,000,000 a year out of this \$120,000,000, and a thousand million of people reaching out for the balance! How can we be inundated with silver.

But suppose that we want to increase our per capita gradually. None of us bimetallicists believe in rapid inflation. We believe in a gradual expansion, bearing close proportion to population and business. Suppose that we conclude that we will broaden the base of this vast structure of credit which topples over and is destroyed every time a money stringency occurs, either by the fears of the timid or the attacks of the wreckers. Suppose we conclude to increase our circulation gradually and spread it over 10 years, so as to finally reach a per capita of \$30, which is the per capita of France. Four hundred and fifty million dollars would be needed for that. Spread over a period of 10 years it would make \$45,000,000 annually. We would thus need the entire annual product of the mines, leaving nothing to the rest of the world, and at the end of 10 years our per capita would only have increased to \$30. We would then have a more substantial superstructure, one which would have a broad and enduring bi-metallic base, sustaining this vast structure of credit.

Mr. VAUX. Do we not get \$50,000,000 a year now?

Mr. NEWLANDS. Yes; that leaves \$70,000,000 out of \$120,000,000, all of which we can absorb without increasing our per capita to more than \$30, and France has \$57 per capita.

FOREIGN COINS NOT TO BE RECOINED.

I say we will limit this coinage so as to utterly exclude the bullion that comes from foreign coins, and limit our coinage to the product of the mines. Let us declare to the people of Europe that we do not want them to abandon the practice of bimetallism. Let us say to them that we propose to sustain bimetallism, and to encourage them in maintaining rather than abandoning it. I say that if we absorb the whole annual product of the mines of the world during the period of 10 years we shall have only increased our per capita to \$30. Well, we then stand on the verge of peril. But there is danger under our present system. We have a bimetallic standard, and we are not paying any attention whatever to accumulating reserves of gold. What should we do then? We have about 400 millions of silver certificates and Treasury notes in the United States and only \$158,000,000 in gold backing our gold certificates.

I say that we ought to adopt the policy of gradually drawing into the Treasury the gold of the country, amounting to nearly \$600,000,000, and establishing side by side with silver a reserve backing these United States Treasury notes. Is that a radical doctrine? We are on a bimetallic standard now. Bimetallism is in existence now. Is it our interest to maintain that policy and that system, and maintain and increase the value of it, or is it our policy to abandon it and provide only, as we do under the present law, for the accumulation of silver in the Treasury, and pay no attention to a scientific law which will back the United States notes ultimately by both gold and silver, standing side by side and constituting a bimetallic money?

Mr. COMSTOCK. I like your position on that very much, but there is one doubt which troubles me. What State are you from, Nevada?

Mr. NEWLANDS. Yes, sir.

Mr. COMSTOCK. I read an article in the morning Post from Senator Stewart in which he stated, if I remember correctly, that the reason of the accumulation of silver in this country was that Great Britain had stopped the purchase of silver for India and China, and was throwing the whole burden on the United States. What do you say as to the unloading of silver on this country?

Mr. NEWLANDS. I am not in position to know. I would assume that that result would arise from the conditions which I have named. The advance in silver has made England purchase wheat and cotton here instead of silver.

Mr. COMSTOCK. Would you or not say that England has succeeded in stopping the purchase of silver?

Mr. NEWLANDS. It may be so; I assume that it is. The policy of England, as the great creditor nation of the world, is to make gold, as a banker from New York said his associates wished, "as dear as diamonds."

Mr. COMSTOCK. You say that a thousand millions of people are using silver. Do you think that if Great Britain could prevent them from drawing silver from us that it might embarrass us?

Mr. NEWLANDS. I do not suppose that there is any great movement of this kind but what will meet with obstacles; but I do say that if we are aggressive we will sweep over these obstacles, and I say that

assuming the very worst, which is that we will be compelled to take \$120,000,000 of silver. We can absorb it for the next 10 years and raise our per capita to only \$30.

Mr. COMSTOCK. You do not include the coins of Europe?

Mr. NEWLANDS. Yes.

Mr. WALKER. When they melt down coins how are we to ascertain the difference between that and bullion from the mines?

Mr. BARTINE. The late Secretary of the Treasury formulated a scheme for ascertaining that.

Mr. WALKER. Do you mean to say that the Secretary of the Treasury has a scheme by which he can tell silver run in the bar from that which is melted from coin?

The CHAIRMAN. He framed a regulation which would require the tracing of the bullion from the mines.

Mr. NEWLANDS. There is no difficulty in framing regulations which will enable the Treasury authorities to distinguish between bullion which is the product of the mines and bullion which is the product of coin put in the melting pot.

BASIS OF CREDIT INSUFFICIENT.

I wish to say one word more with reference to this credit which bankers in New York are insisting really constitutes a part of the currency volume of the country, and thus does away with the necessity of increasing our per capita of actual legal tender money. I happen to know something about banking. I am a large stockholder and director of a bank, and I am accustomed to large transactions and to large enterprises. And I say that the greatest danger which exists in this country to-day is the existence of this vast credit which the banks encourage in times of quietness and peace, and which they discourage when an emergency comes. That is the kind of system which has made the men at the money centers of the country rich at the expense of the entire country and at the expense of the agricultural and producing classes.

Mr. VAUX. How?

Mr. NEWLANDS. I will give you an illustration. Prior to the late panic confidence reigned supreme in New York. The banks were loaning money freely on promissory notes of individuals and on notes secured by collateral, either real or personal property. Much of it was loaned upon call, which means that the borrower must respond immediately if a demand be made upon him. Now the bankers say that this credit must be regarded as a part of our money volume, that it serves the purpose of money, and does away with its actual use.

But a difficulty occurred over in England. The Barings had over-speculated; their operations were conducted in South America, not the United States; the conditions which caused their embarrassment were not conditions existing in the United States. They were called upon for \$5,000,000 of gold by Russia and could not respond; that was the cloud in the financial sky. The bankers and money men throughout the world understood the condition of this long before the people did, and commenced to draw in their money. Now, what reason was there for any embarrassment in this country of that kind? Had our crops failed? Had there been any panic or anything which would cause such a stampede? What was the cause of this wave of contraction sweeping across the country from New York to San Francisco and strangling the enterprises of the country? Was it not the existence of this vast credit, which is necessitated by a small money volume; that credit

which is extended freely in prosperous times, and is withdrawn to the destruction of all values when a cloud appears in the sky.

WHAT CONSTITUTES CREDIT MONEY.

Mr. WALKER. What do you mean by "credit money?"

Mr. NEWLANDS. These bankers say this credit has all the effect of money, and that it builds up the enterprises of the country, and does its business.

Mr. WALKER. But what do you mean by "credit money?"

Mr. NEWLANDS. I am using it in the terms of these bankers.

Mr. WALKER. Excuse me, if I insist upon a definition. Will you do me the favor to answer my question? Will you just tell me what you mean by "credit money?" Do you mean simply a man's credit, pure and simple?

Mr. NEWLANDS. If you ask me what I individually mean by the term "credit money," I will say that there are two kinds of money; "standard money," consisting of gold and silver, and credit money, consisting of Government or bank notes, redeemable in standard money, coin; but without the actual coin backing them, and made a legal tender by law. No system of credit can take the place of such money and perform its functions. The bankers say there is no need of much money, because credit performs the functions of money. I say it does not; that it has no legal-tender function, and that it is the first thing to run to its hole when it is most needed. We are building up a vast superstructure of credit on too small a base of actual money, and when the least storm comes it falls to the ground, and then the wreckers come in and pick up the depreciated values and hold them for a rise. And so year after year we pass through these alternate periods of expansion and contraction of credit which the speculators know so well how to use to their advantage. And so I say this system enables the few in the great cities to absorb the accumulations of the many.

I understand these bankers to say that we get along with a smaller per capita of money than any other country, simply because of these appliances and machinery of credit. They have doubtless been vastly increased in this country simply because we have not had a sufficient money volume.

Mr. WALKER. Don't you make a distinction between a man's having credit which will induce people to let him have money and a man's having money against which he can draw a check? I want to know whether you mean by credit money anything that would of itself pay a loan. Do you call belief or impression credit money or do you call checks, drafts, and bills of exchange credit money?

Mr. NEWLANDS. I refer to promissory notes and credits generally as credit money, and in doing this I do not give my own definition, but attach to this machinery of credit the significance given it by the bankers who have testified.

Mr. WALKER. I will ask you again what you mean by credit money. I really do not understand you.

Mr. NEWLANDS. What I mean by credit money is this: There are two kinds of money; one is the standard metallic money, gold and silver; the other is credit money, which consists of Government or bank notes payable in gold or silver, and which are a legal tender. That is the only kind of credit money that I admit exists.

Mr. WALKER. To what do you allude when you speak of credit money?

Mr. NEWLANDS. I refer to that kind of money which the banker says,

the credit which he says, performs all the functions of money, and is convertible into money. I say that credit money, according to bankers' parlance, consists of this vast volume of credit which has been built up on the base of the actual volume of money and is ultimately payable in it, but which is not a legal tender.

Mr. WALKER. This credit money is not a legal tender?

Mr. NEWLANDS. I say you can not call anything money which is not a legal tender. Still, the bankers insist that we have no need of money because of this mass of credit.

Mr. WALKER. You are not answering my question. You have said there are two kinds of money, coin and paper money, which is a legal tender. Do you mean either of those when you refer to credit money?

Mr. NEWLANDS. No, sir; I have reference to the confidence money of the bankers.

Mr. WALKER. Tell us what that is.

Mr. NEWLANDS. I mean that medium of exchange of values which is created by the loan of credit, by the execution of promissory notes, by the device of checks, and by various appliances through which the business of the country is transacted outside of the actual use of legal tender money.

Mr. BARTINE. He is making use of the general term "credit."

Mr. WALKER. I want the gentleman again to give me the definition of what he means by credit-money. He says there are two kinds of money, coin and paper, not a legal-tender. Certainly he does not mean bank notes.

Mr. NEWLANDS. You are mistaken. I said in my opinion, money consists of two kinds. One is the standard money of the country, gold and silver, and the other is credit money. The standard money consists of gold and silver, and the credit money consists of notes, Government or bank notes, redeemable in either gold or silver, and made by law a legal tender.

Mr. BARTINE. That is quite clear.

Mr. NEWLANDS. That is my view of credit-money, and the other is the banker's view of credit-money, which I call confidence money.

Mr. WALKER. Let me get exactly your meaning.

Mr. NEWLANDS. I am defining the difference between them. I am giving the meaning that the bankers gave who testified here. As I understand it, they say we do not need any more money, because this credit performs the function of money. I say that that is the means of breeding financial cycloes every little while. I say it is mere confidence money which exists in that shape.

Mr. WALKER. I insist that the gentleman is not answering my question.

The CHAIRMAN. The gentleman is responsible for his answers, and we can not say what they shall be.

Mr. NEWLANDS. I say that that confidence money is useful so long as the country is at peace and so long as there are no panics, but I say that it is the most unreal and insecure kind of money that can be devised. I say further that every panic in this country has been caused by the doubling of that credit and then withdrawing it, and that that process has enabled the wreckers, the men who have large sums of money, to either take advantage of the panic, and that these panics are caused either by the preconcerted action of these wreckers or by the cautious or timid, who withdraw credit when most needed.

The CHAIRMAN. The answers are not responsive to the questions.

Mr. WALKER. I will make a statement and then let me have your

answer. I understand that a merchant in keeping his cash account includes in that account any coin or bank bills that he may receive, or any checks, drafts, bills of exchange, or anything else that will be credit to him as money at the bank. Is that your understanding?

Mr. NEWLANDS. He considers that cash.

Mr. WALKER. Have you in your mind what proportion of these exchanges is in coin?

Mr. NEWLANDS. No; I do not know.

Mr. WALKER. The report is that somewhere from 1 to 3 per cent. is in coin.

Mr. NEWLANDS. I do not know.

Mr. WALKER. And that somewhere from 4 to 6 per cent. is currency, promissory notes, and 93 to 96 per cent. is in checks, bills of exchange, etc. What I want to get from you is whether, when you talk of credit money, you refer to money included in that list that I have given?

Mr. NEWLANDS. No, sir.

Mr. WALKER. You do not. I will ask you again to tell me what you do mean by credit money.

Mr. NEWLANDS. I mean the various credit appliances through which men of enterprise do business.

Mr. WALKER. Tell what they are.

Mr. NEWLANDS. It is the use of their credit based upon promissory notes, or bank credits, which are secured either by collateral securities or by faith in the known responsibility of the maker of the notes. I say that when a money stringency comes the bankers and money lenders either refuse to extend accommodations to the merchants and others or withdraw the accommodation already extended, and in that way they create panics.

Mr. WALKER. That is where they have loans out?

Mr. NEWLANDS. A stringency throughout the country much greater will be caused by the retirement of a large portion of this credit volume than by the locking up of actual money.

Mr. WALKER. I want to get at your definitions.

Mr. VAUX. If they would be of any use to anybody on the face of the earth after we get them I would be perfectly willing to have them.

Mr. WALKER. I want to say that the gentleman is talking about a thing that I never heard of in my life in an experience of 40 years in business. He has used terms that are entirely unfamiliar to me.

The CHAIRMAN. Your curiosity is not to be wondered at.

Mr. NEWLANDS. The stringency they can cause is equal to that caused by the absolute destruction of one-quarter of the actual money of the country.

Mr. WALKER. Did you ever hear any business man call a promissory note money?

Mr. NEWLANDS. It has often the force and effect of money.

Mr. WALKER. You referred to checks and bills of exchange. Do you call promissory notes money?

Mr. NEWLANDS. No, sir.

Mr. WALKER. What do you mean by bank credits?

Mr. NEWLANDS. When a bank allows a man to overdraw his account it extends to him a credit.

Mr. WALKER. I want to know how a stringency in the money market lessens the price of bills of exchange if a man has any capital in the bank?

Mr. NEWLANDS. It would not lessen the use of bills of exchange if a man has money back of them; if a man has deposited money that he

can draw, that monetary stringency would not affect his use of bank checks.

Mr. WALKER. I want to know if in a stringency either banks or individuals, or anybody else, make a distinction between coin or paper money in loaning or borrowing? A man puts a note in the bank, and it is discounted and passed to his credit. You say you are a director in a bank, and I want to ask you upon what do they base their loan when they make one?

Mr. NEWLANDS. Either upon securities or upon his responsibility.

Mr. WALKER. How do they determine whether they can make a loan or not?

Mr. NEWLANDS. They loan him money.

Mr. WALKER. Do you mean to say they loan him bills or coin. Do you make any distinction between capital and money?

Mr. NEWLANDS. Of course I make a distinction between capital and money.

Mr. WALKER. What is the distinction?

Mr. NEWLANDS. I understand capital is property and money is a medium of exchange.

The CHAIRMAN. Can not money also be capital?

Mr. NEWLANDS. It is a portion of capital, but all capital is not money.

Mr. WALKER. Is not coin and paper money capital?

Mr. NEWLANDS. Yes.

Mr. WALKER. What determines the action of the bank, whether they will grant a man in high credit the loan that he asks; is it the gold or silver or paper that is in the bank? They do not have coin to satisfy their liabilities.

Mr. NEWLANDS. The conditions vary according to the financial condition of the locality.

Mr. WALKER. Does a bank in one locality have a different basis of loans or a different sort of money or capital from a bank in another State?

Mr. NEWLANDS. The loans consist of money.

Mr. WALKER. Is there any distinction?

Mr. NEWLANDS. I do not know what is the basis of every bank in the world.

Mr. WALKER. Are not all the national banks of this country required by law to do their business upon the same basis?

Mr. NEWLANDS. Their business is to loan money. They loan money, and their reserves are established by law.

Mr. WALKER. Did you ever know a bank to decline to make a loan because of the lack of currency? The bank capital is \$650,000,000, and the reserves are 400 millions. What is loaned are the deposits and capital after deducting the reserve.

Mr. NEWLANDS. The trouble in your questions is in the lack of clearness. In my answer I can state what my general idea is of the manner in which banks transact their business. If you ask me how a particular bank transacts its business, I can not tell you. As a general rule, banks loan their own capital and money deposited by their depositors, keeping on hand a certain reserve which bears a certain percentage to the capital and deposits. In the bank with which I am connected the reserve is nearly one-third of the total amount of the deposits.

Mr. WALKER. As a matter of fact, do you say that the depositors deposit money in coin or bills? What proportion of the deposits made in the bank are composed of paper or coin money? What do the statistics show?

Mr. NEWLANDS. I do not know what proportions statistics show.

Mr. WALKER. It is a small proportion in respect to the bills.

Mr. NEWLANDS. Whenever a depositor in a bank makes a check, it is a transfer of a certain amount. It is entered on the books and acts as money actually transferred.

Mr. WALKER. When one man gives a check and another receives it, are they not really transfers of titles to property? The titles to property is transferred, but the physical thing is not transferred by railroad or steam-boat.

Mr. NEWLANDS. Yes.

Mr. WALKER. Then what a bank loans is a title to property which may be transferred in payment of a debt. Is not that the practice?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. That does not necessarily take any money at all. It does not take a dollar, does it?

Mr. NEWLANDS. There is no physical transfer of the money, but there is an actual transfer of the money. If you give me your check and I put that to my credit, no money actually passes between us, and there is no physical transfer of money, but actually that money has passed to me because it is subject to my check.

Mr. WALKER. I want to get at the practice. When I go to a bank and deposit money they give me a check or a draft or write a credit on my book. You have taken a title to the bank's property, and you have at that time a title to their property and that title you can transfer by giving a check?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. Practically, then, all this banking business is a transfer of titles of property to a bank and of the property of the bank to an individual or another bank?

Mr. NEWLANDS. But the property must be there.

Mr. WALKER. The title must be there. It is not the property that must be there, but the title to the property.

Mr. NEWLANDS. The property is in the bank, I suppose.

Mr. WALKER. If the bank has deposits to the amount of a million and a half in it, those are titles to property, and that is the only thing it has?

Mr. NEWLANDS. Promissory notes are property.

Mr. WALKER. They are a title to property.

Mr. NEWLANDS. They can be turned into coin or money.

Mr. WALKER. It is not property; it is the title to property.

Mr. NEWLANDS. Yes; it is property, but not actual coin.

Mr. WALKER. The usefulness of this investigation depends upon accuracy of terms. A promissory note is a title to property. You do not say that a deed to a farm is a farm, but it is a title to a farm.

Mr. WILLIAMS. I do not think it is quite fair for you to badger this witness.

Mr. WALKER. I am not badgering the witness. I am asking him for his opinion. I want to have this witness give his definition and answers so that they will be consistent with the remarks which he has made, and my question is for the purpose of getting a clear understanding from him of what he means by the terms he uses.

Mr. BARTINE. If you do not understand his answers you are the only man in the room who does not.

Mr. WALKER. I understand that the whole argument in favor of free coinage is a misuse and jingle of terms that those who use them do not understand.

Mr. NEWLANDS. I will state the proposition as it seems to me. The

advocates of free coinage insist that there should be a gradual expansion of the volume of money in order to maintain the present per capita, and even to increase it moderately, as it is now too small. The bankers say that there is no need of increasing it; that credit performs the function of money, and all we require is confidence; that, as population increases, the volume of circulation should not be increased, because credit takes the place of actual money. I was endeavoring to say that these appliances of credit, while serviceable in prosperous times, always fail in times of monetary stringency. I say that credit can not be serviceable at all in times of emergency, unless legal-tender effect is given to it; but promissory notes are not a legal tender for debts, and when there is a great monetary stringency the result is that men who owe money largely upon call, borrowed upon collateral, can not get the ready money, because the timid or the wreckers have withdrawn it. Credit is then impaired and they are obliged to sacrifice their property and a few wealthy men in the country get it. And so these monetary stringencies enable the few to reap the harvest which others have planted and toiled to ripen.

Mr. WALKER. I hand you this table of prices, in bushels of grain, as an answer to your assertion that the farmers are suffering from a depression of prices. This shows that their products, bushel for bushel, will buy more than ever before:

Prices agreed upon by Messrs. Kingsland & Douglas, successors of Kingsland, Fergeson & Co., Simmons Hardware Company, and Mansur & Tibbetts Implement Company, all of St. Louis, Mo.

Implements.	Money in—		1889, in bushels of—			1873, in bushels of—		
	1889.	1873.	Wheat.	Corn.	Oats.	Wheat.	Corn.	Oats.
One-horse steel plow (wood beam).....	\$2.75	\$6.50	3.8	8.5	11.5	6.4	19.1	27.0
Two-horse steel plow (wood beam).....	12.00	20.00	16.4	37.5	50.0	19.6	58.8	83.3
One-horse iron plow (wood beam).....	2.00	5.00	2.7	6.2	8.3	4.9	14.7	20.8
Two-horse iron plow (wood beam).....	8.00	13.00	10.9	25.0	33.3	12.7	38.2	54.1
Two-horse side hill or reversible plow.....	10.00	18.00	13.7	31.2	41.7	17.6	52.9	75.0
One potato digger.....	7.50	20.00	10.2	23.4	31.2	19.6	58.8	83.3
Old-fashioned tooth harrow.....	6.50	15.00	8.9	20.3	27.0	14.7	44.1	62.5
One-horse cultivator.....	3.50	7.00	4.7	10.9	14.5	6.8	20.5	29.1
Two-horse corn cultivator.....	15.00	28.00	20.5	46.8	62.5	27.4	82.4	116.6
One-horse mowing machine.....	45.00	85.00	61.6	140.6	187.5	83.3	250.0	354.1
Two-horse mowing machine.....	50.00	90.00	68.5	156.2	208.3	88.2	264.7	375.0
Horse rake (sulky).....	20.00	30.00	27.4	62.5	83.3	29.4	88.2	125.0
Common Hunt rake (horse).....	3.50	6.50	4.8	10.9	14.5	6.3	19.1	27.0
Common iron garden rake (10-tooth steel) (dozen).....	3.75	12.00	5.1	11.7	15.6	11.7	35.2	50.0
One-horse horse-power.....	25.00	45.00	34.2	78.1	104.1	44.1	132.3	187.5
Two-horse horse-power.....	35.00	65.00	(*)	(*)	(*)	(*)	(*)	(*)
Reaper.....	75.00	95.00	(*)	(*)	(*)	(*)	(*)	(*)
Binder.....	135.00	.....	184.9	421.8	562.5	*277.7	*769.2	*857.1
Cornsheller (one hole).....	6.00	11.50	8.2	18.7	25.0	11.2	33.8	47.9
Fanning mill.....	15.00	25.00	20.5	46.8	62.5	24.5	73.5	104.1
Common hoes (cast steel socket), per dozen.....	3.50	6.50	4.7	10.9	14.5	6.3	19.1	27.0
Common rakes (wood), per dozen..	2.00	3.00	2.4	5.2	8.3	2.9	8.8	12.5
Scythes (Ames's grass), per dozen.	7.50	16.00	10.2	23.4	31.2	15.7	47.0	66.6
Do.....	9.50	21.00	(*)	(*)	(*)	(*)	(*)	(*)
Scythe snaths (patent), per dozen.	4.50	11.00	6.1	14.0	18.7	10.8	32.3	45.8
Shovel (Ames), per dozen.....	9.50	18.00	13.0	29.6	39.5	17.6	52.9	75.0
Spades (Ames), per dozen.....	10.00	18.50	13.7	31.2	41.6	18.1	54.4	77.0
Crowbars (steel).....	.06	.....	(*)	(*)	(*)	(*)	(*)	(*)
Crowbars (iron).....	.05	.10	.06	.15	.2	.09	.29	.46

* For 1880.

Mr. TRACEY. I move that the hearings close at 12 on Friday, and that at that time the committee go into executive session.

The CHAIRMAN. Unless there is objection it will be unanimously agreed to close at 12 o'clock on Friday and take a vote at 1.

Mr. BLAND. I agree to it because I am compelled to.

Mr. TAYLOR. (To the witness.) Where is your residence?

Mr. NEWLANDS. Nevada.

Mr. TAYLOR. What is your business?

Mr. NEWLANDS. I have no particular occupation. I am trustee of a large estate. My profession is that of the law; and I am interested in banking, railroads, real estate, and various enterprises.

Mr. WALKER. Trustee of what estate?

Mr. NEWLANDS. The estate of William Sharon, deceased.

Mr. TAYLOR. Are you here as one of a committee working up a sentiment for silver?

Mr. NEWLANDS. I think your question is offensive; and I think it is so intended. I will answer any courteous question.

Mr. WALKER. It is said that fact is worth more than a hundred theories; are you of that opinion?

POUND STERLING AS INTERNATIONAL STANDARD.

Mr. NEWLANDS. I think so.

Mr. WALKER. Is there not an international coinage or measure of value, the pound sterling used by every country in every international transaction; and is not that gold?

Mr. NEWLANDS. I believe that is true. I am not sufficiently familiar with international transactions to be able to give any information in regard to that. My transactions are entirely domestic.

Mr. WALKER. Is it not a fact that whatever may be the theory upon the subject of gold, it is held to be stable, whether it is so or not; and that things are measured in gold the world over?

Mr. NEWLANDS. I do not think the best information is that gold is stable the world over.

Mr. WALKER. I claim it is not. I claim it has depreciated in value about one-third in the last 30 years.

Mr. NEWLANDS. I claim the contrary.

Mr. WALKER. Is it held to be stable in order that things may be measured by it?

Mr. NEWLANDS. I think that in international transactions things are measured in gold. Whether it is thought to be stable I do not know.

Mr. WALKER. For purposes of trade it is held to be stable.

Mr. NEWLANDS. I do not think it is.

Mr. WALKER. What does a pound sterling represent?

Mr. NEWLANDS. It represents a certain weight and fineness of gold; but as to its stability I can not say.

Mr. WALKER. I said "held to be stable?"

Mr. NEWLANDS. Whether it is held to be stable I can not say.

Mr. WALKER. But for purposes of trade is it agreed that it should be considered to be stable?

Mr. NEWLANDS. I can not answer that question. I do not know what is agreed or what the opinion of the people is. I know it is generally accepted as a measure of value. In international commercial transactions the pound sterling has been regarded as the unit of measurement.

Mr. WALKER. Is it not a fact that all staples—anything that is subject to export or import in a country—are measured by the cost, whether imported or exported?

Mr. NEWLANDS. Possibly, with modifications, that is true. To discourse upon that would require a disquisition in political economy. I

presume the price of the exportable surplus of all products fixes the prices of such products in a country.

Mr. WALKER. Is not every commodity priced for international trade, wherever it might be sold in a country, in the value of the pound sterling; was not it so through the war here that everything really was sold at the price of gold?

Mr. NEWLANDS. Well, I was too young to know much about what occurred during the war, and I do not know much about international transactions, and I do not pretend to know anything about international trade.

Mr. WALKER. Is not it a fact that anything we use as a measure of value, any coin as it is struck, becomes a part of the general monetary system of the world?

Mr. NEWLANDS. I think so.

ABILITY OF UNITED STATES TO MAINTAIN BIMETALLISM.

Mr. WALKER. Now, one further question. Then, if we have anything in the form of coin that is not accepted in the monetary system of the world, to pass for its nominal value anywhere in the world, to just that extent it is a subsidiary or token coinage.

Mr. NEWLANDS. In other countries than that in which the coin is struck, every such coin is mere token money. Its value is determined by its weight in either gold or silver.

Mr. WALKER. You mean by its bullion weight?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. Do you think that 800 millions of people having free coinage of silver and 250 millions having gold and silver, being on the gold standard, do you think that taking 50 millions from 250 millions, making the 800 millions 850 millions who use silver, that free coinage will change the value of the silver the world over?

Mr. NEWLANDS. I think the unlimited use of silver by a population of 50 millions that is constantly increasing and expanding and developing a new country, can absorb all the natural product of the mines and restore the old parity.

Mr. WALKER. Then you come to this conclusion, that 50 millions of people here using more coined money per capita than 800 millions are per capita, without any regard to the quantity of the 50 millions used as regards the whole total quantity of silver, will put up the price of silver one-fourth over what it is now; that is your proposition?

Mr. NEWLANDS. The question is not clear in my mind, Mr. Walker.

Mr. WALKER. My question is, whether you think that the fact that our people, assuming that they do use more coin per capita, will, added to the free coinage of silver here and the free coinage of silver among 800 millions of people who are now using silver as a standard of value, raise the price of silver one-fourth over 80 cents, in the money of the world, in the pound sterling.

Mr. NEWLANDS. I do.

Mr. WALKER. Or is it rather a theory with you that as the quantity of coin increases or diminishes, so does it increase or diminish its purchasing power?

Mr. NEWLANDS. I think the increased volume of money——

Mr. WALKER. No, coin; let us talk about coin, not money.

Mr. NEWLANDS. You must take into consideration the entire volume of money. For every unit of legal-tender money that is added to the

world's volume of money, to that extent diminishes the purchasing power of each unit of the world's volume of money.

Mr. WALKER. And that is counted the world over?

Mr. NEWLANDS. Yes, sir; its effect is gradually felt the world over.

Mr. WALKER. Now I think that is about all I want on that line.

Mr. NEWLANDS. I wish to say by way of explanation——

Mr. WALKER. You have explained and talked 4 or 5 hours. I would like to ask another question.

Mr. NEWLANDS. I understood you to say that you had finished.

Mr. WALKER. There is no legal tender by statute, is there, for this international money; it is by consent of commerce and decision of courts, etc.?

Mr. NEWLANDS. I do not understand that any money is legal tender except by law of the particular country in which it is made such.

SALE OF SILVER TO INDIA.

Mr. WALKER. Now it appears in India there is free coinage of silver and silver is coined into rupees at the rate of 1 to 15, 1 of gold to 15 of silver; in other words, at the rate of \$1.37 for each fine ounce. It appears the average charge is 2 per cent. for coining, and it appears that the cost of transportation and insurance is 1 per cent.; hence the net to the party sending American silver to India is \$1.33 for each fine ounce. Why does not our silver go to India for coinage?

Mr. NEWLANDS. I imagine it is because we have no great demand for the products of India. If our silver goes there, something must come back in return.

Mr. BARTINE. That is, silver goes where it is needed for purposes of commerce?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. That is to say, no silver will go to India unless we buy something from India in the shape of goods and bring them back?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. What is true of India is true of all countries?

Mr. NEWLANDS. I presume so.

Mr. WALKER. And that is true of all countries with our trade; if we send silver it is because we must buy goods of that same country; it is not exchanged through other countries?

Mr. NEWLANDS. I imagine that is correct as a general rule.

Mr. WALKER. Do you understand there is any such thing as international trade, one nation with another nation, as a nation? Is not it always individuals of one nation trade with the individuals of another nation without the slightest regard to anything except their personal advantage?

Mr. NEWLANDS. I think that is the case.

Mr. WALKER. Now can your answer be true in reference to sending silver to India?

Mr. NEWLANDS. I do not think the people of this country require the products of India.

Mr. WALKER. Suppose a person wants to trade with India, why does he not send silver there if he simply trades individual with individual trading, not international?

Mr. NEWLANDS. I assume our trade with India and our absorption of their products must depend upon their having something we want. I believe the principal products of India are cotton and wheat, and we certainly do not want them, for we have those in abundance.

Mr. WALKER. And that is the reason silver is not sent over to India.

Mr. NEWLANDS. I imagine so. I have not studied the question particularly.

Mr. WALKER. There are no international boundaries known between individual traders except tariff, either export or import tariffs and freight.

Mr. NEWLANDS. I should think that is generally true.

Mr. WALKER. Is there in this trade between individuals of one country with individuals of another country any common coin or denomination of money known as international money except this pound sterling? That is, all this fifteen or twenty billion of international trade is done in bullion, either in gold or silver, on the bullion value, is it not?

Mr. NEWLANDS. I should think so. These questions which you are putting to me in regard to trade, I do not profess to know much about.

RELATION OF COINAGE TO VALUE.

Mr. WALKER. How, then, is it conceivable to a man familiar with this trade that the change of the weight of a gold coin in any one country, in its weight or fineness, would in the slightest degree change the weight or fineness of the international pound sterling to be delivered in payment of bills of exchange?

Mr. NEWLANDS. I do not think any one claims that.

Mr. WALKER. Suppose we reduce our gold coin one-fifth——

Mr. NEWLANDS. I do not think it would affect the pound sterling weight and fineness——

Mr. WALKER. They would have to have so much weight equal to one-fourth more. If that is so in reference to gold coin, if that does not change the market value of gold coin, how is it conceivable the coinage of our silver will change the market value of that over its bullion value? If it would not change the value of gold, why would it change the value of silver?

Mr. NEWLANDS. The bullion value of silver depends upon the demand for it.

Mr. WALKER. Is not that the same with gold?

Mr. NEWLANDS. Yes, sir; as a commodity, and the principal demand for both gold and silver has been for use as money. If you increase the demand for silver as money, you increase its bullion value.

Mr. WALKER. Do you think a change of the statute law in Mexico in reference to the gold dollar would give it the slightest additional purchasing power?

Mr. NEWLANDS. Will give it more purchasing power there?

Mr. WALKER. More or less purchasing power there.

Mr. NEWLANDS. I should think the diminution of the weight of gold coin there by law would diminish its purchasing power, and I should think it would have that effect.

Mr. WALKER. You did not understand my question. Do you think by a statute law they can increase or diminish the purchasing power of the dollar as it is now in Mexico at the present weight?

Mr. NEWLANDS. By what?

Mr. WALKER. By statute law.

Mr. NEWLANDS. The gold dollar or the silver dollar?

Mr. WALKER. Either. In other words, do you think that a trial to fix the value of any product whatever, they have tried bread a thousand times, or grain, iron, copper, or anything, do you think it could be changed by law where it is allowed unlimited use?

Mr. NEWLANDS. I think the increase of demand will increase the value of anything, all other things being equal.

Mr. WALKER. And that is the only thing that increases it ?

Mr. NEWLANDS. Yes.

Mr. WALKER. Do you think any legislation in India could give any greater purchasing power to silver in India, or of these whole 800 millions of people ?

Mr. NEWLANDS. An increase of demand would ?

Mr. WALKER. No, do you think by statute law—

Mr. NEWLANDS. If that will increase the demand, yes ; not otherwise.

Mr. WALKER. If that law increases the demand it will ; if not, it does not.

Mr. NEWLANDS. No.

Mr. WALKER. How do you think silver and gold were kept at a parity of 15 to 1 for several years, up to 1873 ?

Mr. NEWLANDS. By the determination of the various nations of the world crystalized in law and fixing a ratio between them.

Mr. WALKER. It is fair to say then that the commercial demand for the coin plus the coinage laws of Europe, that opened it to free coinage at that ratio, made the demand ; the commercial and coinage demand.

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. That is to say the demand for trade as bullion and demand for coinage.

Mr. NEWLANDS. Yes.

Mr. WALKER. Then you have stated several times, if I understood you, the lessening of the demand would lessen the value of the metal.

Mr. NEWLANDS. Of silver bullion, yes.

Mr. WALKER. And gold bullion ?

Mr. NEWLANDS. Yes, other things being equal and the production remaining the same.

Mr. WALKER. That we understand. Now what was the coinage demand in Europe, say from the beginning of the Latin Union in 1865, up to 1873 ?

Mr. NEWLANDS. I do not know.

Mr. WALKER. It was very considerable.

Mr. NEWLANDS. I presume so, but I do not know.

Mr. WALKER. You do not know what the coinage demand was. Do you not know that that demand has ceased entirely now except for some subsidiary pieces ?

Mr. NEWLANDS. I do not know to what extent it has ceased, but it has been very much diminished.

Mr. WALKER. There is no free coinage in Europe.

Mr. NEWLANDS. I believe not.

Mr. WALKER. What was the demand of this country for the coinage of silver from 1865 to 1873 ; how much was our silver circulation increased from 1865 to 1873 ?

Mr. NEWLANDS. I do not think there was any large coinage of silver in this country.

Mr. WALKER. And we were coining at 16 to 1 and India at 15 to 1 ?

SILVER IN TRADE BALANCES.

Mr. NEWLANDS. A man who had silver bullion would rather take it to a country where he could coin it at a ratio of 15 to 1 or at $15\frac{1}{2}$ to 1, than to a country where he could coin at 16 to 1.

Mr. BARTINE. I would ask if in your judgment the simple difference

in ratio alone was the sole cause of our silver going abroad, or if the adverse currents of trade had something to do with it?

Mr. NEWLANDS. Well, I imagine the adverse currents of trade had something to do with it, and I imagine also the fact that we relied upon fiat money at that time had something to do with it. There was very little of either gold or silver in the country.

Mr. BARTINE. If there was a heavy balance of trade against us at that time and the silver was worth a dollar and thirty-three cents an ounce abroad in the settlement of these balances, it was very natural for those who had balances to pay to send silver abroad to pay them?

Mr. NEWLANDS. Certainly.

Mr. BARTINE. It was a more profitable metal to send to meet those adverse balances than to send gold?

Mr. NEWLANDS. Yes.

Mr. WALKER. You are entirely satisfied with the answer of Mr. Bartine as given.

Mr. NEWLANDS. I imagine Mr. Bartine is.

Mr. WALKER. Are you; that is the question I would like to have you answer?

Mr. NEWLANDS. Yes, sir; I think the answer contained in his question was correct.

Mr. WALKER. Do you know what it costs to send a dollar of silver to Europe and get it back here in either coin or bullion?

Mr. NEWLANDS. No, sir.

Mr. WALKER. It is said to be one-fifth of 1 per cent. by the statistics; have you any doubts about that?

Mr. NEWLANDS. I do not know why a man should be called upon to express himself upon a matter of which he says he knows nothing.

Mr. WALKER. Do not you think it would be a profitable business to take coin to Europe at a profit of $3\frac{4}{5}$ per cent.?

Mr. NEWLANDS. It might be if the cost of transportation was less than that.

Mr. WALKER. What idea have you of the profit made by a business man, say of manufacturers of boots, shoes, etc.?

Mr. NEWLANDS. I have no knowledge on that subject.

Mr. WALKER. Suppose I should tell you that they are entirely satisfied with $1\frac{1}{2}$ per cent. and that is more than they average in the country; do not you think it would be a pretty good business to get three times as much profit in sending silver to Europe?

Mr. NEWLANDS. On your premises I think it would.

VALUE OF SILVER TO BE UPHELD.

Mr. WALKER. Do you think the balances of trade influence us at all in sending silver to Europe? Is it possible when we could make $3\frac{1}{2}$ per cent. on it? If it was brought to our mint and coined at 16 to 1 and it could be taken to Europe and coined at $15\frac{1}{2}$ to 1, would not it go there, and did it not in fact go there?

Mr. NEWLANDS. Yes, sir; Mr. Bartine also suggests the fact—

Mr. WALKER. I do not care about the rest of it.

Mr. NEWLANDS. I thought your question was in reference to Mr. Bartine's answer.

Mr. WALKER. If, then, in view of that fact we had free coinage of silver here at anywhere from 10 to 20 per cent. less than the commercial value of it, what can possibly lead you to believe the whole volume would not press to come here?

Mr. NEWLANDS. I think the whole volume of the——

Mr. WALKER. Let me finish the question—excepting that which is in the pockets of the people, that which is necessary as we use our silver coin here, say, 65,000,000.

Mr. NEWLANDS. Do you distinguish that from silver which is in bank?

Mr. WALKER. Yes.

Mr. NEWLANDS. Well, my judgment is that if the commercial ratio were less than our coinage ratio here and we should open our mints to free coinage, that naturally the production of the mines of the world would gravitate here.

Mr. WALKER. That is 100,000,000 ounces, according to your statement?

Mr. NEWLANDS. About 120,000,000 ounces per annum, and that is so with other countries that are demanding silver upon the same terms as ourselves, such as India, China, South America, etc. Now then as to the silver that is in coin to distinguish it as you suggest, part being in coin in the pockets of the people and part in bank, I would say that as to the coin which is in the pockets of the people it is very difficult to get that out; it would be a slow and tortuous process. It has in those countries a higher purchasing power as a coin than it would have if turned into bullion and sent over here, and in fact they would make the transaction at a considerable loss. As to the banks and the governments holding silver coin in their treasury vaults they would simply have to determine whether they would be wise or foolish; if foolish they would send it here, if wise they would not——

Mr. WALKER. You refer to what you formerly explained in regard to the question?

Mr. NEWLANDS. If you wish to confine me——

Mr. WALKER. I do not wish to. I think it is due to you, that is all. I think that whoever reads this should be referred to your former explanation, and that is the reason for my stating this. Do you think that the fact that bullion is coined in a country has any tendency to influence in any degree the coin that will be used per capita in that country?

Mr. NEWLANDS. To influence it in what way?

Mr. WALKER. By causing it to stay in the pockets of the people, in bank, or anywhere else.

Mr. NEWLANDS. It will remain there unless more can be secured for it outside of greater value.

Mr. WALKER. Do you think that the fact that the money that is coined in a country—well, put it broader—or mined in a country, all kinds of metals mined in a country, have an effect to have more money in circulation among the people of that country?

Mr. NEWLANDS. I divide that into two parts; I distinguish between mining and coining. I imagine that people coin money for the purpose of using it. One country may mine silver without the idea of using it; they may send it to other countries.

Mr. WALKER. Do you think that when persons are mining their gold or silver they have any idea as to where or care whether it will be coined, or not?

Mr. NEWLANDS. None other than as it affects the value of it as a commodity.

Mr. BARTINE. Mr. Chairman, I move we take a recess of an hour.

STATEMENT OF GEN. A. J. WARNER.

EFFORTS FOR INFLUENCING SILVER LEGISLATION.

Mr. A. J. WARNER. Mr. Chairman and gentlemen of the committee, as I have heard some criticism in regard to the advocates of free coinage not being present to answer questions, I wish to state to the committee that I am here for that purpose.

Mr. WALKER. Allow me to ask you a question.

Mr. WARNER. Certainly.

Mr. WALKER. You are the chairman of the national silver committee.

Mr. WARNER. I am chairman of the national silver committee, which met in St. Louis last November a year ago for the purpose——

Mr. WALKER. And you are here for the purpose of securing legislation in regard to free coinage.

Mr. WARNER. For the purpose of advancing the free coinage of silver everywhere in the country, before Congress and elsewhere. I am here in that capacity as well as in my general interests in regard to the silver question.

Mr. WALKER. Do you know anything about the money that has been collected and used by that committee, the amount of it?

Mr. WARNER. I know everything about it.

Mr. WALKER. Have you any objection to stating to the committee how much has been raised?

Mr. NEWLANDS. In reference to that I gave a full statement before the silver pool investigation committee, and if I was General Warner I should decline——

Mr. WARNER. I will decline to state that, except that I will say that I will guarantee that \$5 are expended by the gold pool in promoting their interests to every single dollar that has been raised and expended in the silver interest. I have been advocating the cause of silver, as is well known, from the time I first learned of the demonetization of silver, which was in London, and I have been fighting it ever since; and I expect to continue it until silver is restored to its constitutional place here and elsewhere.

Mr. WALKER. Do you know of the existence of any gold pool?

Mr. WARNER. I only know that I have understood that the monometallists are doing just what we are; they are endeavoring to secure legislation in their interest.

Mr. WALKER. But do you know of the existence of any gold pool?

Mr. BARTINE. Mr. Chairman, I make a point of order that this is not an investigating committee to inquire into the motives of gentlemen.

Mr. WALKER. But he has made the declaration that there is a gold pool.

Mr. BARTINE. You assumed it, Mr. Walker.

Mr. WALKER. No; he stated there was a gold pool.

The CHAIRMAN. The question before the committee is that we now take a recess for one hour.

Mr. COMSTOCK. I would like to make a point that it is only fair that as General Warner volunteered the information that there was in existence some sort of organization for the purpose of promoting legislation in the interest of gold, that he should state it.

Mr. WARNER. All I know is what I see in the public press of meet-

ings held just as in the interest of free coinage of silver, and as they ought to be for a perfect and proper discussion of the question.

Mr. WALKER. I ask that Mr. Warner remain to be questioned.

Here the committee took a recess of an hour.

AFTER THE RECESS.

CROSS-EXAMINATION OF MR. F. G. NEWLANDS—Continued.

PER CAPITA CIRCULATION CONTROLLED BY BUSINESS USES.

Mr. WALKER. Is it not a fact that the amount of coin and money used in a country depends upon things other than its being mined or coined in the country in which it is mined or coined?

Mr. NEWLANDS. Yes, largely.

Mr. WALKER. Does it not wholly?

Mr. NEWLANDS. Well, there may be a limited demand for its use as money which would affect it, but as a rule your statement is true. I take it that if gold is produced in a country in which that gold is actually used as a portion of the circulating medium, that then that use of it in that country affects its value, and that is true of silver conjoined with the other uses of the world.

Mr. WALKER. And you mean that use in that country; that is to say, the country in which gold is mined and not silver, is very likely to have gold coin in common use, and other than that the effect of its being coined there would not have any influence on the amount of coin per capita of that country. It depends upon other things.

Mr. NEWLANDS. Its value, you mean?

Mr. WALKER. The per capita circulation, that is what I am asking you about.

Mr. BARTINE. You mean that the immediate relation between the amount coined and the per capita in circulation depends upon business conditions.

Mr. NEWLANDS. I think probably this would be an answer which is pertinent to your question. I should think, as a rule, that the mining of either gold or silver in a country would not have much to do with the per capita circulation of money in that country except as it is used in the promotion of enterprises and industries which require it.

Mr. WALKER. That is, it depends upon the industries?

Mr. NEWLANDS. Yes, sir. And, as a rule, mining regions have not many other industries, hence the per capita circulation is not very large, and the volume of money is not very large as a rule in mining countries or mining districts.

Mr. WALKER. You will excuse me for putting leading questions, for answers come easier. I am examining Mr. Newlands as an expert on this question. I understand he represents the committee appointed by persons in favor of free coinage of silver, of which Mr. Warner is chairman, and he is expressing the general views of those persons; that is the fact.

Mr. NEWLANDS. I am vice-president of the national silver committee.

Mr. WALKER. (To Mr. Warner.) And you indorse what he says and he indorses what you say?

Mr. WARNER. That may be or may not be; Mr. Newlands might not want to be held responsible for all that I say.

Mr. WALKER. Is it not a fact that the volume of money, all kinds of

money in the country, is determined primarily by the amount of each that the people desire to carry on their business, and, secondly, by the amount that the bank finds by practice it is necessary for it to keep to answer the requirements of its customers in their money transactions; are not these the two elements?

Mr. NEWLANDS. These are two elements.

Mr. WALKER. Are there any other?

Mr. NEWLANDS. I should think so; the demand of the country——

Mr. WALKER. No; the demand is a general term. Please give me any other use that can be made; is there practically a demand for paper or coin money except what people habitually carry in their pockets, either from their wealth or poverty, and what the bank finds by experience it is necessary to have on hand to pay out over the counters to their customers when they demand it?

Mr. NEWLANDS. You see that is a limitation of the use or demand.

Mr. WALKER. The demand I am talking about; is there any other demand for money, paper or coin?

Mr. NEWLANDS. No, I do not think there is any demand for money except the demand of the people and the demand of artificial organizations called corporations.

Mr. WALKER. They become customers of the bank; they are customers of the bank.

Mr. NEWLANDS. But the banks may not always yield to their demand; they are not obliged to respond.

Mr. WALKER. Is it a fact or not that loans have been refused because the currency was not in the bank?

Mr. NEWLANDS. I have no doubt of it; often.

Mr. WALKER. I have been in business 40 years, and I have done a business of, for 30 years, from \$600,000 to \$2,500,000, and I never yet heard the thing suggested of a bank refusing a loan for the want of currency.

Mr. NEWLANDS. All I know is, the banks frequently refuse to make loans when the security and interest are ample. I can not imagine any other reason than they have not got enough money.

Mr. WALKER. In this question we have got to stick to the term money or credit; we have been through that once and I do not want to go into it again. What a bank loans is credit, its title to property, not money, but title to property, which has been put in its possession. Is it not a fact that what a bank loans is the title to property which has been put in their hands to loan. It is not gold or silver they loan?

Mr. NEWLANDS. Sometimes gold and silver actually go out, sometimes the loan is simply deposited to the borrower's credit and he checks against it.

Mr. WALKER. A very small percentage of money as compared with the business of a bank, of either paper or gold is used. Now, in view of what you have said, how can you believe that the coinage of the gold or silver in this country will add at all to the coin per capita; that is to say, in view of the fact trade takes it away and brings it here as we have seen in the last 10 years.

Mr. NEWLANDS. In the first place the increased coinage of silver and gold will increase the volume of coined money in the country.

Mr. WALKER. If it does not go out.

Mr. NEWLANDS. Now the question is whether it will not go out——

Mr. WALKER. You have said once it would not; that it did not——

Mr. NEWLANDS. Did not what?

Mr. WALKER. Did not increase the per capita money in a country, the fact that the metal was mined and coined there.

Mr. NEWLANDS. I do not think I said that. I did say we might increase the volume of our currency by the coinage of silver and gold or silver alone so as to supply this country with, say, 80 or 90 millions additional, and yet we would not increase the per capita, because on the one hand the number of units of population, the number of people in the country, is gradually increasing.

Mr. WALKER. I have admitted all that. I do not want to lumber up the record with that again, because I was talking per capita all the time.

Mr. NEWLANDS. I understood you to say that I said that an increase of the volume would not increase the per capita.

Mr. WALKER. You agreed to that, and then I said money in the country.

Mr. NEWLANDS. I agreed to that, providing that coinage is kept within limitation. If you coin \$120,000,000 you will increase the per capita. If you coin \$100,000,000 you will increase the per capita slightly, and by coining \$80,000,000 you will not increase it.

Mr. WALKER. Well, I will have to go back and go all over that subject again, because your statement now is different from what you stated before.

Mr. NEWLANDS. Probably it is a difference in our understanding.

Mr. WALKER. Mexico has coined \$7 per head in the last 3 years. Her coin per capita is no more to-day than it was 3 years ago. How do you account for it?

Mr. NEWLANDS. Well, assuming that your statistics are correct——

Mr. WALKER. Please add, Mr. Reporter, that he does not know whether they are or not.

Mr. NEWLANDS. Assuming that your statistics are correct, I should say that the silver as soon as it became coined was transported from the country to some other country, probably sent in the shape of bullion to be transferred into the coin of that other country.

Mr. BARTINE. Do you not know as a matter of fact that a large portion of the coinage of Mexico is executed for that identical purpose?

Mr. NEWLANDS. I have so understood.

Mr. WALKER. What do you mean, executed for the purpose of exportation?

Mr. NEWLANDS. Instead of allowing the silver to remain in bullion for the purpose of exportation they first put it into coin and next export the coin.

Mr. WALKER. Why do they coin it for the purpose of exporting it?

Mr. NEWLANDS. I really can not answer it unless the Mexican dollar itself has a recognized use from experience and long habit in China and India. I am not sure about that.

Mr. WALKER. Do they not export it because it is more profitable to export it than to keep it there?

Mr. NEWLANDS. Undoubtedly.

Mr. WALKER. Then the whole thing turns on whether the people demand and use the money, not whether it is coined there or mined there.

Mr. NEWLANDS. That is true.

Mr. WALKER. So that the coining of our silver would not have a tendency at all if it was of full value to keep it here; it would go out of the country just the same as Mexico, and come in as trade demanded it.

Mr. NEWLANDS. It might go out.

Mr. WALKER. Not might, it would as trade demanded it.

Mr. NEWLANDS. It would go out of the country if there was a greater demand elsewhere than here.

Mr. WALKER. Let me put this question a little differently. Is not the difference in the per capita of money of all kinds in this country that is used because of the difference of the wealth of the people using it; the wealth of the people using money here over the wealth of the people using money in Mexico? Per capita I am talking about.

Mr. NEWLANDS. The increase per capita here undoubtedly is due to the increased use of money. How far that depends upon the wealth of the country I can not say; but I would say it is more dependent upon the enterprise and energy of the country; that energy and enterprise will utilize coined money, and stagnation and inertia will not.

Mr. WALKER. Do you think the mass of people who use a circulating medium stop to ask anything about the difference between a bank note and a greenback or gold certificate or a silver certificate, or any form of paper money?

Mr. NEWLANDS. No.

Mr. WALKER. Then all of these forms of money, together with the coin of that country, in their pockets, make one aggregate, so far as the mass of the people are concerned, as to the circulation per head, without reference to its character?

Mr. NEWLANDS. Together with the amount in their pockets and in the banks.

Mr. WALKER. I am talking to you about their pockets; let us stick to that. I do not want to get out of their pockets.

Mr. NEWLANDS. I should think that would be correct if you added to it the coin that is in the bank.

Mr. WALKER. Well, that is enough on that. Now, do you think there is any limit to which coin can be profitably used by banks, either private or public?

Mr. NEWLANDS. Do you distinguish coin there from paper money?

Mr. WALKER. Yes, sir; I am talking about coin.

Mr. NEWLANDS. Yes; there is a limit.

Mr. WALKER. One question further. If it is shown by statistics which are reliable from the bankers that they use practically a certain percentage, without any reference to what it is, of coin money and a certain percentage of paper money and a certain percentage of individual paper that does the work of money, through a series of years, is not it fair to assume that that supplies all the demands of the business world each in its proportion?

Mr. NEWLANDS. No, I do not think it is.

Mr. WALKER. Well, why?

Mr. NEWLANDS. They simply use that which they have and they determine the proportion of each kind that they use; that is all.

Mr. BARTINE. It does not follow that they could not use more if they had it?

Mr. NEWLANDS. No, sir.

EXPORT AND ACCUMULATION AS SIGNS OF REDUNDANCY.

Mr. BARTINE. Mr. Walker has asked you a series of questions going to this point, that the per capita of money in a country is governed by the business requirements of that country and not by the amount of silver or gold that may be produced from the mines. Now, upon that assumption of Mr. Walker I wish to ask you this question: Suppose

here be a limitation upon the actual coinage of either metal, a limitation interposed by law, is there any way by which the people can get more metallic currency into circulation than the law allows to be coined?

Mr. NEWLANDS. No; unless they circulate the coin of foreign mints.

Mr. BARTINE. That would not be a legal tender outside of the country which coins it?

Mr. NEWLANDS. No.

Mr. BARTINE. Then, in a country like ours, where there is a limitation upon the coinage of one of those metals, can it be said that the country is absorbing and using all of the coin it needs until it begins to part with some of the coin that is actually struck? For instance, if under our limited coinage we had failed to keep it and it had flowed out, that would be a circumstance indicating that we had too much?

Mr. NEWLANDS. Yes, sir.

Mr. BARTINE. And until that condition is reached can it be said we have too much?

Mr. NEWLANDS. I should think not. Demonstrate the ability of a country to absorb all that has been given, then it is assumable that the country could absorb more. The inability to absorb would not be demonstrated until our coin went elsewhere.

Mr. COMSTOCK. Would the return to any receptacle from the people and a constant accumulation there tend to show that the country would not absorb it?

Mr. NEWLANDS. Yes, it might and probably would, unless it was represented by paper which backs it dollar for dollar. The circulation of that paper would indicate the ability of the country to absorb.

COIN AND CREDIT.

Mr. WALKER. Financiers speak in general terms of commerce and finance; do you understand that Great Britain has a sound financial system?

Mr. NEWLANDS. I seriously doubt whether England has a sound financial system. I have no doubt that the money which it issues in the shape of notes is fairly well backed by a reserve of actual coin.

Mr. WALKER. What is the reserve of coin to the notes?

Mr. NEWLANDS. Gold, I believe, with the power to put silver behind a part of it.

Mr. WALKER. That is not what I am asking. I want the proportion of coin and notes.

Mr. NEWLANDS. I can not tell that.

Mr. WALKER. If you can not tell that how can you answer that you think they have not a sound financial system; you are discussing here in reference to the soundness or unsoundness of Great Britain's financial system and when I ask you the question as to what is the proportion of the coin to the notes you say you do not know.

Mr. NEWLANDS. I told you I can not tell you the exact relation that the notes bear to the actual coin that is in circulation; I believe that was your question.

Mr. WALKER. Yes.

Mr. NEWLANDS. My criticism of the soundness of their currency was addressed to this proposition; I think it is a mistake for any country to run its financial system upon this constantly narrowing gold basis.

Mr. WALKER. What do you mean by "a constantly narrowing gold basis;" what do you mean by that term?

Mr. NEWLANDS. That is purely a relative term. Of course the amount of gold in the country and in the world has not diminished.

Mr. WALKER. It has increased, has it not?

Mr. NEWLANDS. Somewhat.

Mr. WALKER. I think I can develop your views better if I ask questions. Do you recognize that the methods adopted throughout the world for doing business makes it not only unnecessary but impractical to use anywhere near the percentage of coin that was formerly used in any given volume of transactions?

Mr. NEWLANDS. I do not know whether they use coin any less than they did. They certainly use all the machinery outside of the natural physical delivery of coin to a greater extent than they ever have.

Mr. BARTINE. Did you ever in the whole course of your life hear of a complaint arising in any country of too much money—of too much coin?

Mr. NEWLANDS. Never of too much coin.

Mr. WALKER. Is it not a fact that a country, by the very necessities of the case, or rather commerce, the world over is compelled to use all the coin that is thrown upon it? You have said repeatedly here that the price of commodities depended upon the actual money in circulation. Now, if that is so, is it not a fact that commerce is compelled by the laws of commerce to use all the coin that is thrown upon it and prices adjust themselves to the amount. Is not that your whole theory you are presenting here?

Mr. NEWLANDS. What do you mean by commerce?

Mr. WALKER. I mean all trades of all kinds and descriptions, from the buying of chickens and a dozen eggs to the loan of millions by a government.

Mr. NEWLANDS. I can not answer whether commerce is compelled to use all the money that may be coined. It certainly has used all the money that has been coined in the world.

Mr. WALKER. And that prices are adjusted to the volume of the coin, then the very definition of that term is, commerce takes up all coin and uses it.

Mr. NEWLANDS. I think it is involved in it.

Mr. WALKER. That is all I have to ask on that point.

Mr. NEWLANDS. If you will permit me for one moment, I made an answer here which, without explanation, might not appear to be a correct one. I told you, I think, it was a mistake for any country to do business upon a constantly narrowing gold basis. I did not mean to imply by that that the volume of gold coin in the world is diminishing.

Mr. WALKER. You stated that, and that is in the record.

Mr. NEWLANDS. On the contrary, it has slightly increased, but I mean a narrowing gold basis that nations of the world which had not prior to 1873 been gold-demanding nations came in through the demonetization of silver and created an increased demand for it, and there is not enough to go around, and thus they make a narrowing basis.

Mr. BARTINE. Narrowing relatively.

EFFICIENCY AND REWARD OF LABOR.

Mr. WALKER. Now you have put me on another question and I will have to go over the subject. Here are some figures I want to present:

Wages in 1860 and in 1885 in dollars and in weight of gold and in grains.

	Wages in dollars.		Wages in grains of gold.		Grains of gold percentage of increase.
	1860.	1885.	1860.	1885.	
Factory hands:					
Dyers	\$0.62	\$1.00	16.0	25.7	61
Giggers	.62	.82	16.0	21.1	32
Shearers	.69	1.00	17.8	25.8	45
Plain weavers	.65	.85	16.7	21.8	31
Spinners	1.10	1.26	28.3	32.5	15
Miscellaneous:					
Leather factory beam and yard hands	1.10	1.67	31.0	43.0	39
Leather factory whiteners and skivers	1.83	2.75	47.2	70.8	50
Common laborers	1.00	1.50	25.8	38.7	50
Blacksmiths	1.50	2.00	38.7	51.6	33
Blacksmiths' strikers	1.00	1.50	25.8	27.0	50
Carpenters	1.67	2.00	43.0	51.6	20
Machinists	1.75	2.25	45.1	57.7	28
Locomotive engineers	2.40	3.20	62.0	82.4	33
Locomotive firemen	1.20	1.75	31.0	45.2	46
Average percentage of increase in weight of gold .38.					

Is it not a fact that in all the staple commodities necessary what are understood to be the prime necessities of life—that their cost plus what you may call profit is determined by the cost of the labor plus the raw material?

Mr. NEWLANDS. Generally speaking, yes.

Mr. WALKER. Can you suggest a thing of which that is not true?

Mr. NEWLANDS. Well, you might have to add transportation.

Mr. WALKER. All that is covered by this; I said all necessary things.

Mr. NEWLANDS. You did not include that, and hence I spoke of it.

Mr. WALKER. The transportation is included in the cost of the raw material always.

Mr. NEWLANDS. No; it might be the cost of transportation of the manufactured product to the place where it is consumed.

Mr. WALKER. Well, I included all these elements. If the cost of the man—a day's work and that which he receives for his day's work—has been constantly increasing and prices have been constantly decreasing, which I think you admit, how can that be, if the cost of a day's work is increasing all the time and the cost of the finished product decreasing all the time; would you not say it is improved methods, machinery, and transportation; would not that account for it; is there any other way of accounting for it?

Mr. NEWLANDS. Assuming that the cost of the labor which has gone into the product is constantly increasing and that transportation and the profits of the middle-men remain the same, and yet the price of the finished product has diminished, you ask me whether that does not imply that the cost of production has been diminished and whether that has been brought about by improved methods and machinery?

Mr. WALKER. Yes.

Mr. NEWLANDS. I should answer yes, generally; whether that constitutes the only factor or not, I can not say.

Mr. WALKER. The two main factors. Now I want you to look this table over which shows that the average amount of weight of gold that an average workman throughout the United States receives for a day's work has increased on an average of 38 per cent. in the last 30 years, skipping the years of inflation because of inflated prices. Here is a scale, and I want to ask you, how is that possible unless the gold has depreciated in value? That is to say, is not man, as he enters into the

production of products in his labor, the measure of everything, everything that is bought or sold?

Mr. NEWLANDS. Well, I know nothing as to the correctness of this table, but I understand you to say all these products to which you refer have diminished in price to the consumer.

Mr. WALKER. Yes.

Mr. NEWLANDS. Which means that a unit of gold will purchase more of them, I should say.

Mr. WALKER. Wait one minute; you have left out the element that I put in. The first statement is, that the weight of gold that the laboring people the world over are receiving to-day is more than one-third more than it was 30 years ago. Now the point is, whether that is not proof conclusive, or ought not to be, that the value of gold measured by a man has depreciated one-third.

Mr. NEWLANDS. No, I should not think so.

Mr. WALKER. Well, give me what you have to say about it.

Mr. NEWLANDS. I should think that the value of gold was determined by its purchasing power.

Mr. WALKER. In what?

Mr. NEWLANDS. Of the manufactured product.

Mr. WALKER. Have not you admitted before that the manufactured product is made up practically in the price of a man bought in day's labor?

Mr. NEWLANDS. It is one of the factors in determining the cost of production.

Mr. WALKER. Then, if a man will purchase more gold now—say if one-three-hundredth of a man will buy one-third more gold than it would 30 years ago, has not gold depreciated?

Mr. NEWLANDS. No; it would not indicate that. It indicates he is able to get more gold for his labor, and that is accomplished by the organization of the laboring men throughout the country. They have been able to withstand this tendency towards a reduction of prices and the increased value of gold; by organization they have steadily advanced their wages, while the value of all products, both natural and manufactured, has steadily diminished. Of course the value of all products, natural and manufactured, in terms of gold, may have been diminished through two or three causes, and among these causes—

Mr. WALKER. Will not you give us the causes?

Mr. NEWLANDS. Undoubtedly I should regard one of the causes as the result of improved methods and machinery.

Mr. WALKER. Which has appreciated the value of a man as applied to them, has it not, or else depreciated gold, the value of it?

Mr. NEWLANDS. No; I do not think it has appreciated the value of the man. I think the man has obtained his value through organization.

Mr. WALKER. That is the expression of the man, is it not, the way he impresses himself upon physical things?

Mr. NEWLANDS. These men have organized and have stated to capital, "You can not get our labor except at a certain price."

Mr. WALKER. Is it not a fact that if you hired a man to work a hoe, when you hired the man the hoe is included in the man, his efficiency you count in the hoe; and if you hire a man to run a sewing machine you include that in the efficiency of the man; a man working in a roller mill or anywhere else, the machinery is put into the cost of the man and in his product? So that what you have said with reference to the man's efficiency after all does not militate against the proposition I have made, that the man as such commands more gold to-day by one-third,

if the statistics are true, and therefore gold must have depreciated one-third either by the volume of gold increasing or the efficiency of its use by modern commercial improvements, one of the two things; both things operate. Now is not that a fact?

Mr. NEWLANDS. No; I think not.

Mr. WALKER. Well, give me your reasons, please.

Mr. NEWLANDS. I think I have already stated them. I think I can give an illustration of that. A horse in its natural state is worth, say, \$150. You can increase his speed in such a way as to make him worth \$50,000. I do not know that you can say that demonstrates that the value of gold has depreciated. So with man, the value of his labor may be increased by the application of his intelligence, but that does not indicate that gold has depreciated.

Mr. WALKER. Do you know of anything in this country that is sold in which the element of taste, what is known as art, or things of virtue, do you know anything of that kind that is not selling to-day at a higher price than before?

Mr. NEWLANDS. I think probably the products of the higher kinds of art—

Mr. WALKER. I did not say the higher kinds of art; I mean everything into which enters the element of taste.

Mr. BARTINE. How about gold watches?

Mr. WALKER. That is not taste especially; I mean women's hats and dresses, etc.

Mr. BARTINE. You will admit that gold watches are a great deal cheaper than they have been.

Mr. WALKER. Yes; and that is exactly what I am pressing, and I want the reporter to make a very careful note of that, because that is the very admission I am wishing him to make, and I am very glad that brother Bartine has made it.

Mr. BARTINE. You are welcome to it.

COIN IN RESERVES.

Mr. WALKER. Was gold or silver used as money in 1873?

Mr. NEWLANDS. Not to any general extent.

Mr. WALKER. Except on the Pacific slope?

Mr. NEWLANDS. Yes, sir; it was used there.

Mr. WALKER. Is it not a fact throughout all the periods of inflation that all the obligations that were made on the Pacific slope were written payable in gold?

Mr. NEWLANDS. Yes, sir; and they are now?

Mr. WALKER. Gold and silver were not in current use as money in 1873 elsewhere in the country?

Mr. NEWLANDS. No.

Mr. WALKER. How long before 1873 did they go out of use, how many years?

Mr. NEWLANDS. They went out of use shortly after the United States began to issue through the printing press fiat money.

Mr. WALKER. That is 11 years. And they did not come into use again until when, until 1879?

Mr. NEWLANDS. Somewhere about that.

Mr. WALKER. That is 6 years afterwards.

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. Now the statistics show that in—

Mr. NEWLANDS. I may add, I do not think there was much gold or silver coin used in the country before 1860.

Mr. WALKER. But through the war it was coined, gold and silver.

Mr. NEWLANDS. I am not informed as to that. I mean to say prior to 1860 I do not think there was much gold and silver in the country.

Mr. WALKER. I have not the statistics here, but I think prior to 1860 in proportion to the business done there was as much gold and silver in the country as there has been averaged to be up to the last 10 years, and more too, but it did not do the work as it has since, because the commercial methods since then have made gold more efficient.

Mr. NEWLANDS. My impression was prior to 1860 the money of the country consisted generally of bank notes which were issued by State banks, and these bank notes varied in value all over the country. I want to say I attribute this depreciated currency to the fact that not much of either gold or silver was coined or used in the country; we did not avail ourselves, in other words, of the great benefit we ought to have received from the production of the mines in California. Instead of that gold coming here and being used we allowed it to go elsewhere.

Mr. WALKER. Just the same as Mexico does now?

Mr. NEWLANDS. Yes, sir; and we want a reversal of that policy now. We want this country to utilize the benefactions of nature and not to reject them, as we did in 1850.

Mr. WALKER. What is the fact in regard to the billion of money now in this country, 600 millions of gold and 400 millions of silver in round numbers?

Mr. NEWLANDS. Yes, sir, about that.

Mr. WALKER. Our reserves in the banks are paper largely; that is, the law allows them to be?

Mr. NEWLANDS. I believe it does.

Mr. WALKER. There is about 400 millions reserve in the banks.

Mr. NEWLANDS. I am not aware how much there is.

Mr. WALKER. There is not a dollar of paper money issued on this reserve.

Mr. NEWLANDS. You mean a dollar of money in circulation.

Mr. WALKER. Yes.

Mr. NEWLANDS. No; unless you can call this reserve in circulation. If you do not call that in circulation the per capita is very much less than we claim.

Mr. WALKER. The law makes it a very severe penalty for a bank if they put that in circulation.

Mr. NEWLANDS. Do you refer to national banks?

Mr. WALKER. Yes.

Mr. NEWLANDS. I assume that the banks are compelled to have a reserve in this way, and it means the locking up of so much money, and hence I say the currency is contracted to that extent.

Mr. WALKER. If this is a billion, then there is in the Treasury 600 millions of gold and silver.

Mr. NEWLANDS. Of silver there is something over 300 million back of the silver certificates that is lying in the United States Treasury, and 100 millions of gold back of the greenbacks, and 158 millions of gold back of the gold certificates, which are redeemable specifically in gold.

Mr. WALKER. That whole volume of gold you consider wealth, and somebody is losing interest on it if it is locked up anywhere and not used at all.

Mr. NEWLANDS. Except so far as it is represented by paper.

Mr. WALKER. But you have struck in now with something that I have not said anything about. I said if it is locked up anywhere and not used at all that the interest on that much wealth would be lost.

Mr. NEWLANDS. If it is locked up and there is not circulating an equivalent in paper, it is lost just as much as if it was sunk in the sea.

Mr. WALKER. I wish you would strike out that sentence and start in again.

Mr. BARTINE. He has a right to answer the question in any way he desires.

Mr. NEWLANDS. I intended to answer the question.

Mr. WALKER. I agree with you perfectly, but I simply wanted to get the facts in without lumbering up the record; that is all.

Mr. BARTINE. He can say for himself whether he wishes to strike it out or not.

Mr. WALKER. I simply suggested that it should be stricken out because I wanted it to look in a better form, at least a briefer form. Then whatever certificates are issued upon that they are simply warehouse receipts and have that essence when issued for that money in the Treasury?

Mr. NEWLANDS. These gold certificates are in one sense warehouse receipts for gold coin, given the effect of legal tender just as are the silver certificates.

Mr. WALKER. And the Treasury notes issued against silver?

Mr. NEWLANDS. The United States Treasury notes are redeemable in either gold or silver.

Mr. WALKER. If these are taken and put into the bank as reserve, then so far as the use of them by the people are concerned they are as clearly locked up as though they were not issued at all, so far as their being in circulation is concerned.

Mr. NEWLANDS. For Treasury notes or greenbacks——

Mr. WALKER. Any certificate issued for the coin if locked up in the banks, it would be just the same, so far as their use as money is concerned, as if they were not issued at all.

Mr. NEWLANDS. That is true.

Mr. WALKER. Then it is perfectly clear that this country is losing the interest on the 400 million as anything can be if it is kept out of circulation.

Mr. NEWLANDS. I do not know that you can say it is losing the interest on the 400 million. It is losing the benefit unless that benefit is compensated by the additional machinery that reserve performs in the bank.

Mr. WALKER. We are not getting at that point. Do you know any country in the world other than this that loses a dollar of its coin by locking it up in that way, as we are locking ours up, or that requires that the certificates for that coin shall be locked up? Are not we wasteful to that extent over any other nation you know of on the face of the earth?

Mr. NEWLANDS. I am not familiar enough with the banking systems of other countries to be able to answer that question. I think myself that the accretion of the bank reserve is a necessary compliance with the law in order to secure the depositors and to prevent the disastrous effect of any run upon the bank.

Mr. WALKER. An illustration by a part is just as well as an illustration by whole; a bank that has \$100,000 in reserve with \$1,000,000 of deposit has a liability for 1,000,000?

Mr. NEWLANDS. Yes.

Mr. WALKER. And that can be drawn on check or draft or anything else?

Mr. NEWLANDS. Yes.

Mr. WALKER. If the bank was allowed to use notes against it for \$100,000, it would make its liabilities \$1,100,000, would it not?

Mr. NEWLANDS. Yes.

Mr. WALKER. It would have to add \$10,000 to its reserve?

Mr. NEWLANDS. Yes.

Mr. WALKER. That reserve is no more liable for the bills of the bank in the practical commerce of the country than debts in any other form, is it; it has to pay gold to their depositors if they want it just as much as the holder of its bills, does it not?

Mr. NEWLANDS. It can pay any legal tender to its depositors.

Mr. WALKER. I mean to say the depositors are just as liable to come and ask for coin as the holder of bills. The liability of the bank, the whole theory of our reserve, is that the reserve is in favor of the persons depositing, without reference to who they are, whether they hold a bill which is not a legal tender or a check or a draft or a book account, that the bank owes that; so there is no greater liability of any kind or character for the \$100,000 issued against the coin than for any other of its obligations?

Mr. NEWLANDS. This hundred thousand dollars issued against the coin, you mean bank bills which are legal tender?

Mr. WALKER. I mean the general ordinary bank bill.

Mr. NEWLANDS. I can not conceive—

Mr. WALKER. I am very tired now and I move that we adjourn until to-morrow.

Thereupon the committee adjourned until to-morrow, Thursday, February the 19th, at 11 a. m.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
February 19, 1891.

The committee met at 11 a. m.

STATEMENT OF FRANCIS G. NEWLANDS—Continued.

GOLD IN GREAT BRITAIN.

Mr. WALKER. Do you remember the last question I asked you?

Mr. NEWLANDS. I do not recall it. I had the impression that you were considering a question as to the increase in the value of wages.

Mr. WALKER. Is it not a fact that England determines how much coin it is best to have in her business; and does she not regulate it by reducing or by raising the rate of discount?

Mr. NEWLANDS. I do not think that she has determined the exact amount of money she requires. She raises and reduces the rate of interest.

Mr. WALKER. Is it not a fact that for 20 years, when gold in sight had been reduced below a certain point, she raised the rate of interest to prevent its going out, and then she dropped back and reduced the rate of interest when she had enough? England has a general idea of the amount of gold that she ought to have?

Mr. NEWLANDS. She raises and reduces the rate of interest and discount as I have stated.

Mr. WALKER. Do you not think that England is sufficiently selfish?

Mr. NEWLANDS. I think she looks out for her own interests.

Mr. WALKER. And you think her merchants are as sharp and shrewd as any merchants in the world?

Mr. NEWLANDS. I think so.

Mr. WALKER. Does not she understand trade and business as thoroughly as any nation in the world; and has not her history in the last 20 years tended to prove that?

Mr. NEWLANDS. Really I can not answer that. I think her financial course has been a mistaken one.

Mr. WALKER. Do you mean by that that you think that some of us could teach her the laws of business and political economy; and how to do business more safely than she has been doing it?

Mr. NEWLANDS. I think some of us could.

Mr. WALKER. How much gold has England in sight; that is, not in the pockets of the people?

Mr. NEWLANDS. I do not know. My mind is not statistical and I can not carry those things in my mind. My mind works on general principles as a rule.

Mr. WALKER. The visible supply of coin is given in Great Britain at \$130,000,000, and gold in the United States at \$392,000,000. If we use gold as England uses hers, do you think our trade is so much above that of England that we could not do it upon our gold as well as she upon what she has?

Mr. NEWLANDS. Are your statistics taken from Director Leech's tables?

Mr. WALKER. Yes, sir; the visible gold is placed at \$130,000,000 and the estimated gold of Great Britain is \$550,000,000.

Mr. NEWLANDS. What do you mean by "visible gold"?

Mr. WALKER. I mean the gold that is actually visible. That would leave \$420,000,000 in the pockets of the people. I think you have agreed with me that coin in the pockets of the people was not "come-atable" for what is known as commercial purposes as distinguished from purely monetary purposes.

Mr. NEWLANDS. Really I can not pretend to answer these questions based upon statistics. As to their correctness I am not informed, and their assumptions are not warranted by any tables that have been submitted to my observation. I will say generally, that I think it is believed now, that the Bank of England has been doing business upon too small a reserve of gold.

Mr. WALKER. Don't you think that three times as much usable coin in this country as in Great Britain, our population being double theirs, ought to be a sufficient basis to conduct the monetary affairs of this country on; that is, aside from that carried in the pockets of the people?

Mr. NEWLANDS. In considering what is necessary for the money of the people you have got to take into consideration all the money that is a legal tender, and I do not see how you can take a part and ascertain what is the relation of the whole quantity to that part, or how you can determine whether you can get along with less or more of that particular part. You have got to compare the entire money with the population. The population and business in a nation determines whether the per capita ought to be increased or decreased.

Mr. WALKER. There is a certain amount of coin or paper money held in the pockets of the people, and that becomes a kind of "sink-hole,"

My point is this, whether the money used in commerce has, aside from the money in the pockets of the people—our population being double that of Great Britain, and she being a trading and commercial people—with three times the coin used for that purpose in this country; ought not we to be able to do business with the same facility that she does hers?

Mr. NEWLANDS. I can not answer that question.

Mr. WALKER. In the trouble that the Barings had it was not with money, they were relieved by capital being loaned to them.

Mr. NEWLANDS. I do not know the exact particulars of the manner in which relief was given to them. I understood that the Rothschilds and the Bank of England and other banking institutions came to their relief, and guarantied a certain amount and in addition \$15,000,000 in gold was borrowed from France by the Bank of England.

Mr. WALKER. They borrowed \$75,000,000 of capital to tide them over. Is not that a fact?

Mr. NEWLANDS. I do not know whether they borrowed \$75,000,000 in money or whether the Rothschilds and the Bank of England guarantied it for them.

Mr. BARTINE. It was rather in the nature of the assumption of the debt.

Mr. NEWLANDS. Yes, sir; or a guaranty of their liabilities.

Mr. WALKER. I think \$75,000,000 was placed to their credit. Having power to issue money, the financiers in England met and determined that they would not issue any more money, deciding that that would not relieve the stringency; and England, having so large a selfish interest as she had, and so much experience, are you prepared to say that the refusal to issue currency was not a wise course to pursue?

Mr. NEWLANDS. To borrow money instead of issuing notes?

Mr. WALKER. No; letting the volume of currency remain as it is rather than undertake to issue more circulating medium in order to alleviate such a stringency?

Mr. NEWLANDS. I do not thoroughly understand the financial system of England, but it has somewhat more elasticity than ours. The Bank of England can, with the consent of the council issue more notes.

Mr. WALKER. They actually met and decided that they would not do so?

Mr. NEWLANDS. They decided to borrow from France. I have always presumed that the reason was that the reserve of gold was narrow, and that it would not justify the increase of these notes.

Mr. WALKER. That is a mere assumption?

Mr. NEWLANDS. I can not say whether it is an assumption or information that has come to me in some way. I am not positive as to its reliability. The Bank of Germany, which has the character of a national bank, can issue notes in almost unlimited amounts in times of emergency; but a charge is imposed by the Government so as to force the retirement of these notes when the emergency is over.

RELATION OF MONEY TO BUSINESS.

Mr. WALKER. Have you decided in your mind what proportion coin ought to bear to all transactions that are reported in the country, including stocks, titles to property, and other transactions?

Mr. NEWLANDS. Coin or money?

Mr. WALKER. I am talking about coin.

Mr. NEWLANDS. I have never inquired.

Mr. WALKER. Is it not in fact necessary to do so in order to determine whether we need more coin or not?

Mr. NEWLANDS. I think the question is whether we require more money or not. Money is not necessarily coin.

Mr. WALKER. What is it besides coin?

Mr. NEWLANDS. United States notes, greenbacks, and national bank notes, or bank notes which by law are made legal tender and can be tendered in the payment of debts.

Mr. WALKER. The national-bank notes are not legal tender.

Mr. NEWLANDS. They are limited legal tenders. They are legal tenders among the banks, I believe, or are accepted as such.

Mr. WALKER. They are not legal tenders among banks. I only want to know your definition of terms in order that I may understand you. I will ask that again. Is it a fact that the coin we have in the country should bear some proportion to the volume of business transacted? Take the whole transactions in the country, among individuals and corporations; take the whole buyings and sellings in the country, the aggregate volume.

Mr. NEWLANDS. I think that the money of the country should bear certain relations to population and business, and if that money consists entirely of coin, that coin should bear a certain relation to population and business. In our country, as our money is largely composed of paper as well as coin, it is impossible for me to say what the exact relation coin should bear to population and business. I think that in a country that has a fixed population, when the money volume is one—

Mr. WALKER. You have told us all about those things several times.

Mr. NEWLANDS. If you want to ask me what my opinion is as to proportion, I would say that we should gradually work up to a per capita in this country of \$30.

Mr. WALKER. I am talking about the volume of business transactions. What per cent. ought we to have of legal-tender money of all kinds to the volume of business done?

Mr. NEWLANDS. I do not know how to measure the volume of business.

Mr. WALKER. Is it necessary to measure it?

Mr. NEWLANDS. I know how to measure population, because we have the statistics, and so I regard population as a safe guide in determining the per capita.

Mr. WALKER. Do you know what the per capita in Scotland is?

Mr. NEWLANDS. I do not.

Mr. WALKER. It is put at about \$7. They have banks all over the country and she makes money as free as water, so it is good money.

Mr. NEWLANDS. I do not know about that.

Mr. WALKER. Does not the per capita (necessary) depend upon the habits of the people and their facilities for the exchange of money, etc.

Mr. NEWLANDS. Yes, sir; partially.

Mr. WALKER. Does not it depend almost wholly? Are not those the only two elements in determining per capita?

Mr. NEWLANDS. I think these things, being equal in two countries, that the one extending over a vast area and increasing in population and enterprises, would require a larger amount.

Mr. WALKER. Is not our population fixed at any given minute?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. At this moment are there any elements except the two I have suggested that determine the amount of money per capita that is needed?

Mr. NEWLANDS. The elements to which you refer are the habits of the people and the facilities of exchange.

Mr. WALKER. I said the custom or facility of the people for exchanging money, and their habits of carrying money in their pockets.

Mr. NEWLANDS. I think a further element should be considered, and that is their present condition with reference to enterprises and developing a new country.

Mr. WALKER. If we tax the people to the extent of a billion of dollars in gold and silver and lock it up, do they not lose the interest on that amount of capital?

Mr. NEWLANDS. The people lose the interest.

Mr. WALKER. If the Government buys it and owns it the Government loses the interest, does it not?

Mr. NEWLANDS. Under no circumstances does the Government get interest upon its money.

Mr. WALKER. If it taxes the people for the bullion and buys gold and silver and locks it up, then the people lose the interest on that billion of dollars, do they not?

Mr. NEWLANDS. As I understand it, the owners of the money are the only people entitled to the money, and in that case they would lose the money.

Mr. WALKER. Who are the owners of the money if the Government owns it?

Mr. NEWLANDS. There is no interest lost because the Government exacts no interest for its money.

Mr. WALKER. If a man has \$1,000 and the State taxes him \$100, he pays the tax and he has only \$900 left instead of the \$1,000 which he had before.

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. If the Government taxes the people as a whole and \$1,000,000 are taken out of their pockets, do not they lose it, and are not the people losing interest on that amount?

Mr. NEWLANDS. I think they have lost the money itself. The Government owns the money and the people have lost it. Ownership has been transferred from the people to the Government in that case.

Mr. WALKER. You do not think, then, it is lost to the people?

Mr. NEWLANDS. I think they have lost the money, but not the interest.

Mr. WALKER. In all the capital held out of use, whether it is owned by one man or by ten millions, some one is losing all the income on that capital?

Mr. NEWLANDS. Yes; I think if the money is held out of use they are.

Mr. WALKER. What is the productiveness of money?

Mr. NEWLANDS. The interest and profit made upon enterprises in which it is used.

Mr. WALKER. If this is so, then every dollar more in coined money than is necessary to the needs of the people, without going into the question of how much they need—if the whole coin is more than is necessary for the needs of the people to transact the business of the country, then the surplus is lost just to that extent, is it not; the people are taxed for it?

Mr. NEWLANDS. I must confess I do not understand the question.

Mr. WALKER. All right; that is all the answer I want. What makes up the total capital or wealth of a country?

Mr. NEWLANDS. All the property of the country.

Mr. WALKER. Real and personal property ?

Mr. NEWLANDS. Yes, sir,

Mr. WALKER. Including coin ?

Mr. NEWLANDS. Including all the legal-tender money.

Mr. WALKER. Is legal-tender money property ?

Mr. NEWLANDS. I think so.

Mr. WALKER. You think it adds to the wealth of the country in itself because it is printed and in existence. I am talking of the wealth of the country standing still; in that case, what constitutes the wealth of the country ?

Mr. NEWLANDS. The legal-tender money, consisting of paper, is of course a mere promise to pay and made a legal tender ; and I regard every obligation to pay, backed by responsible persons or a government, as property.

Mr. WALKER. Mr. Symes, when he was before the committee, said that the most valuable metal to civilization, and one that had contributed most to the progress of man, was silver ; what do you think about it ?

Mr. NEWLANDS. At first I thought I would not give it any higher rank than gold in that particular. I think money is the great energizing agent of the world.

Mr. WALKER. Do you think of all the metals in existence that civilized man is using the metal that we could spare with least loss would be silver ?

Mr. NEWLANDS. Yes, sir. With the sanction of customs laws and traditions of the world, I think it is the acknowledged money metal. I think that gold and silver, apart from their money uses, are among the least valuable metals in the world. Deprive them of their quality as money and they are of little use as compared with other metals.

Mr. BARTINE. You think that their practical utility is least ?

Mr. NEWLANDS. Iron and lead are more useful than gold or silver.

Mr. BARTINE. They are more generally consumed.

Mr. NEWLANDS. Gold and silver, however, are more valuable as money metals ; deprive them of their monetary quality and they would be worth very little as compared with iron and copper, which are useful metals.

Mr. WALKER. The other day we talked about the statistics and the amount of money there was in circulation in 1873. Now I want to ask you how is it possible for the demonetizing of silver in this country alone between 1873 and 1878 to have affected prices in any respect whatever while we were not using either gold or silver as money.

Mr. NEWLANDS. In this way we determined (I forget in what year) to resume specie payments—that is to say, to redeem in coin the greenbacks which had been issued during the war and which were mere fiat money, and we fixed a certain time at which the resumption was to be made. It was also provided by law that a large amount of the greenbacks should be retired and canceled as they came into the Treasury. So our money volume was to be diminished. We had a right to expect that that diminution would be counterbalanced by the use of larger amounts from the mines which were producing abundantly at that time and the use of which by law in 1873 was denied. Free coinage or any coinage whatever, except of small pieces of subsidiary coin and trade dollars, was stopped, so that during those years there was a contraction of the paper volume of the country by the retirement of greenbacks, and the contraction of the money volume thus created resulted in the fall of prices.

Mr. WALKER. You think that is an invariable rule that the contraction of the money volume per capita results in the falling of prices?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. You mean by reducing the money of all kinds that the people take and handle and use as money?

Mr. NEWLANDS. Yes, sir; money in circulation.

Mr. WALKER. Whether it is greenbacks, gold or silver, bank notes, or anything else?

Mr. NEWLANDS. The great period of depression between 1873 and 1878 was caused by this contraction of the money volume. France did not make that mistake. She expanded her money volume after her war with Germany, and hence she was able to tide over the results of the tremendous tribute exacted by Germany in the shape of indemnity.

Mr. WALKER. The reason that prices fell was because we contracted the money volume, you think?

Mr. NEWLANDS. That was one of the factors.

Mr. WALKER. Was not improved machinery the principal factor?

Mr. NEWLANDS. I do not know exactly what effect improved machinery might have had in reducing the cost of production and in that way diminish the prices of products. It had some.

Mr. WALKER. But you are entirely clear we have reduced the money volume, and that is the reason for your effort to secure free coinage; it is in the interest of the people to increase the money volume, because the reduction of the money volume per capita has caused depression of prices?

Mr. NEWLANDS. Yes, sir; a contraction of the money volume does cause depression of prices always. That contraction of the money volume can be created in two ways. If population remains fixed and does not increase at all, as in France, you can produce a contraction gradually by retiring the money in existence; but where the people are increasing and business is increasing, you will produce a contraction if you do not increase the volume of money, because it diminishes per capita as population increases. All we ask in this country is to maintain the present per capita and increase it slowly and moderately.

WHAT CAUSES PANICS.

Mr. WALKER. You have had considerable to say about panics, their results, etc. Now, is it not the fact that what has caused nearly all panics and money stringencies, so called, is the effort of men to borrow more capital than they immediately needed, because they fear they can not get it at a time in the future when they must have it or fail?

Mr. NEWLANDS. I think that is the cause of most of the panics.

Mr. WALKER. Let me antedate that with another question. The deposits of a bank are what the people put into the bank, and a bank takes that and its capital and loans it to those who need it. Experience has proven that there is about so much coming in and so much going out each day.

Mr. NEWLANDS. Your question involves so much it is hard to answer.

Mr. WALKER. Why does a man deposit in a bank at all? Why does he not keep it in his pocket?

Mr. NEWLANDS. As a rule men deposit money in a bank for safe keeping, and also as a convenient place for drawing it out at any time.

Mr. WALKER. Are not men favored in loans and discounts in a bank usually in proportion to their deposits?

Mr. NEWLANDS. I think they are; that is an additional element.

Mr. WALKER. Is it not customary, furthermore, for banks to pay interest on deposits when the deposits are in for 30 days or more?

Mr. NEWLANDS. The depositors are usually favored with loans, but I do not know of any bank paying interest to depositors. It is not customary in any bank with which I am connected.

Mr. WALKER. Is it not a fact that but for this custom of borrowing capital to use for a month or two, or for a brief period, that men doing business would have to have much more capital all the time, so that they would have it at a time they would need it most?

Mr. NEWLANDS. I think it is true that if a man could not borrow he would have to have more actual money in order to transact the same business.

Mr. WALKER. He would have to have for the whole 12 months all the capital that he would need in any one of those months; but he can avoid that by his facilities for borrowing.

Mr. NEWLANDS. Yes, sir; unless he restricted his business for the 1 month.

Mr. WALKER. If he should restrict his business for that 1 month it would not exist, and that would destroy the effect of my question. If a manufacturer wants to run his factory the year round, and he runs it 9 months and stores his goods, only selling his years' production in 3 months of the year, he must have all the capital all the year round or the chance to increase his borrowing for the 9 months.

Mr. NEWLANDS. He must have sufficient capital or credit to do this.

Mr. WALKER. Credit comes when he borrows. I have left that element out.

Mr. NEWLANDS. If he can not borrow he must have sufficient capital to withstand the pressure.

Mr. WALKER. Is not the whole principle upon which banks are run that capital that is not wanted for one day, or more, in the community is put into the bank and is loaned to those who do need it, and the people compliment each other, so that every day in the year that bank loans and averages to receive about the same for every month in the year? Is not that the way banks are very largely run?

Mr. NEWLANDS. I think it is likely.

Mr. BARTINE. I noticed in the Post this morning that a loan and trust company in New York is in trouble and has closed its doors by reason of being unable to respond to demands made upon it for cash. If the bank had had plenty of money in its vaults, do you think it would have been compelled to have closed its doors and gone into the hands of a receiver?

Mr. NEWLANDS. I would assume not.

Mr. WALKER. Does a trust company keep money in its vaults or does it deposit it in bank?

Mr. NEWLANDS. That depends upon the organization of that particular trust company.

Mr. WALKER. But a trust company like this New York company. Do savings banks keep their money in their own vaults or do they deposit in banks of discount?

Mr. NEWLANDS. The savings banks that I am familiar with keep their money in their vaults.

Mr. WALKER. They do not have anything to do with the banks?

Mr. NEWLANDS. They deposit in their own vaults.

Mr. WALKER. There is not a savings bank this side of the Mississippi that keeps its money in its own vaults. It is all deposited in banks of discount and checks are drawn for the money they loan on those banks.

Mr. NEWLANDS. It is not so on the Pacific coast.

Mr. BARTINE. Considering that to be so, nevertheless the trust companies depend upon the money they have in their possession?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. Is it the theory of you gentlemen who represent the silver convention and silver men that the finances of this country should be arranged so as to have banks and trust companies keep in their vaults the whole volume of money that checks are liable to come in for in any given day?

Mr. NEWLANDS. No, sir; we have not considered that question at all. It does not come up in the agitation for bimetallism.

Mr. WALKER. That is in keeping with the question asked by Mr. Bartine.

Mr. BARTINE. The point of my question was that there is always a time when credit will not suffice, when they want the money.

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. Are there any more financial crises than there are floods, earthquakes, cyclones, occurring in the natural world?

Mr. NEWLANDS. I should think not.

Mr. WALKER. If the Maker of us all has so arranged the affairs of the physical world that these things occur, do you think it is an especial criticism upon the conduct of fallible man that he can not make arrangements that will always prove economical and satisfactory?

Mr. NEWLANDS. I do not think men can always arrange their affairs so that trouble will not come occasionally. I think, however, the system we have could be more perfect.

Mr. WALKER. Do you know anything that moves regularly except the planetary system?

Mr. NEWLANDS. I do not know any system that can be made perfect and avoid panics. I think we can diminish the liability to them, and I think one danger to-day is the small money volume.

Mr. WALKER. Is not the cause of nearly every panic, or what we call money stringency, a struggle of men to borrow more capital than they need because they fear they can not get it at a time in the future when they must have it or be declared bankrupt?

Mr. NEWLANDS. I think two factors enter into every monetary panic. One is that the owners of money are either too timid or too cautious, and withdraw and hoard their money or designing men with ulterior purposes get control of it and withdraw it from circulation for the purpose of lessening values.

Mr. WALKER. Then it is their theory?

Mr. NEWLANDS. Yes; men engaged in the ordinary vocations, engaged in business and in great enterprises, and who are obliged to conduct them largely upon a credit basis are called upon for money, and they can not respond because there is no money in the market.

Mr. WALKER. What do you mean by called upon for money; do you mean currency bills or capital?

Mr. NEWLANDS. Called on to pay their obligations.

Mr. WALKER. What proportion of obligations are paid in either coin or bank notes or greenbacks?

Mr. NEWLANDS. Will you let me get through with my answer in order to make it intelligible? I say that the timid and cautious withdraw their money and hoard it. Or men who have designs upon the stock market or values corner it if they can and withdraw it from circulation. Then the men who are engaged in the usual vocations and business and great enterprises, who are obliged to conduct them upon credit, are

called upon for the payment of their obligations, or extensions of credit are denied to them, and then comes this race for money, rates of interest go up and values are sacrificed.

Mr. WALKER. You have told us all that several times.

Mr. NEWLANDS. All that creates a panic.

Mr. WALKER. How many times has the wheat or corn market been cornered that you remember of in 20 years?

Mr. NEWLANDS. I think I recall only three instances of an attempt to corner wheat, all of which resulted in, I believe, disaster to the men who attempted to corner it.

Mr. WALKER. How does the storage or value of wheat in the month of October in the country or world compare with the volume of coin or paper money in the world or in this country?

Mr. NEWLANDS. I can not tell you that.

Mr. WALKER. It is ten or twenty times as much, is it not?

Mr. BARTINE. The value of wheat in this country is ten times the value of the money of the country.

Mr. WALKER. Yes.

Mr. BARTINE. That does not exceed 500 millions of bushels and at \$1 a bushel it does not exceed 500 millions of dollars.

Mr. WALKER. Have you known in the last 10 years of anybody having tried to corner money; have you known of its being done since Black Friday.

Mr. NEWLANDS. I have no direct proof of any corner of the money market. I have not the slightest doubt, however, that there are certain men engaged in great operations who steadily watch the condition of the money market, and whenever there is a scarcity of money take advantage of it in the stock market, and even increase the stringency for their own purposes.

Mr. WALKER. Is it not a fact that when any stringency in the money market is caused, all persons struggle to get possession of banking credits, and it is then that the banks restrict their loans to their regular customers as much as possible and refuse to lend to any new customers?

Mr. NEWLANDS. That is true, and they are not to be criticised for that.

Mr. WALKER. I am not criticising that. I am trying to get along with this investigation. Well, that is the custom of banks all over the world, is it not?

Mr. NEWLANDS. Yes.

Mr. WALKER. Is not this stringency that comes occasionally in the money market necessary to keep business transactions within reasonable proportions to capital, and is not high interest and stringency like a regulator on an engine that controls the steam and prevents the whole machine from going to pieces by running too fast?

Mr. NEWLANDS. Yes; I think there ought not to be too large an expansion of credit.

Mr. WALKER. All right. Is there any other way of checking credit except by high rates of interest and what are called financial stringencies?

Mr. NEWLANDS. Yes. I think a moderate and conservative course can be pursued by all money-lenders which would restrict credit within proper limits.

Mr. WALKER. Money lenders pursue that course and have to do it in order to save their loans, but, as a matter of fact, notwithstanding that habit, ever since modern history began they have got extended

too widely, and then somebody fails, and that scares people, and then the panic comes.

Mr. NEWLANDS. That is true, but it obtains to a greater degree under some systems than others. I understand that panics are rare in France.

Mr. WALKER. Do you call France a commercial country like England and the United States?

Mr. NEWLANDS. Do you mean engaged in foreign trade?

Mr. WALKER. I mean the internal and the external trade.

Mr. NEWLANDS. I should think so. I do not know the proportion it bears to either, but I call it a commercial country.

Mr. WALKER. Do you not think that the habit of the French people of carrying from twice to three times as much money in their pockets as we carry is an exceedingly extravagant habit and to be deprecated for that reason?

Mr. NEWLANDS. I think it a safe habit and we ought to encourage it in this country. But we are discouraging it by making our volume of money too small.

Mr. WALKER. A man on top of a hill on the flat of his back is safe, but he is not very enterprising. Now is it not a fact that for a person to be enterprising and make progress in the country it is desirable that every dollar of capital should be in use, instead of being in old pots and kettles and old stoves, or buried in the ground, as the French keep it? What do you think about that? Do you commend that habit in the French people rather than the putting of it in savings banks that all may use it by borrowing it?

ACCUMULATIONS OF GREAT FORTUNES.

Mr. NEWLANDS. I believe in a moderate use of money in the pockets of people. I think it tends to conservatism and safety. It may not result in accumulation of such vast fortunes in the hands of a few, but I do think it tends to the prosperity of the many.

Mr. WALKER. How much of a fortune do you control; how many millions?

Mr. NEWLANDS. You hardly regard that as a legitimate question, do you?

Mr. WALKER. I do. You complain of people accumulating vast fortunes.

Mr. NEWLANDS. I do not complain of it.

Mr. WALKER. Do you think it is a good thing for the country?

Mr. NEWLANDS. The accumulation of vast fortunes?

Mr. WALKER. Yes?

Mr. NEWLANDS. No.

Mr. WALKER. You think it is a bad thing?

Mr. NEWLANDS. Yes.

Mr. WALKER. Will you tell me of any men who have accumulated vast fortunes, except miners, who have not accumulated their fortunes by selling things to the people for less than they were sold for before, excepting people who have come in possession of other people's fortunes in a struggle between themselves each to possess the other's fortune, as brokers and stock gamblers? Aside from that class of people, represented by Jay Gould, can you tell me of any people, except miners, who have accumulated large fortunes who did not do so by supplying people with things at a less price than they ever paid before and less than

their neighbors had been supplying the same things to the same people for, and if so, name them?

Mr. NEWLANDS. That is a difficult question to answer.

Mr. WALKER. Have not the vast fortunes accumulated here been obtained by a vast amount of trade by large concerns doing their business by improved methods and supplying the people with their necessities cheaper than they were ever supplied for before? Is not that literally true as a rule?

Mr. NEWLANDS. I think the vast proportion of fortunes have been made by the intelligence of men in combining the energies of others.

Mr. WALKER. What do you say to the question I ask?

Mr. NEWLANDS. Repeat your question.

Mr. WALKER. Is it not a fact that the great fortunes which have been made in this country, aside from the great fortunes made as Jay Gould's was made, where many rich men struggled to get possession of other rich men's money and property, were accumulated by adopting improved methods and machinery? Is it not a fact that the fortunes made in this country were made by the use of improved machinery and methods and the increase of the volume of business in manufacturing, so that the necessities of life to the people were sold to them cheaper than they had been before?

Mr. NEWLANDS. I have no doubt that a vast amount of the wealth of this country was accumulated in that way. Do not understand me as attacking the wealth of anybody. I said I thought the system that accumulated vast fortunes in the hands of a few at the expense of the many was bad. I do not blame a man for taking advantage of a situation or condition afforded by a bad system.

Mr. WALKER. Is there such a system in this country?

Mr. NEWLANDS. I think so.

Mr. WALKER. What is it?

Mr. NEWLANDS. Too small a money volume. It is easy to corner money, to contract the circulation, and diminish and destroy values. Without the actual design of anyone, our system is such as to bring about constantly recurring stringencies; and, so, the few who have either the cunning to create them or the intelligence to take the advantage of them reap the profit that comes from acquiring values that have been temporarily diminished and nearly destroyed.

Mr. WALKER. Describe the process.

Mr. NEWLANDS. It is always easier to corner a small money volume than a large one, for one thing. So that the designing——

Mr. WALKER (interposing). Whose interest is it to corner the money market?

Mr. NEWLANDS. I do not wish to be invidious by particularizing. I suppose that it is the class of men who made Black Friday.

Mr. WALKER. Who are the class of men that made Black Friday?

Mr. NEWLANDS. Speculators, men of great ability and intelligence.

Mr. WALKER. It was in the speculating pit of New York, was it not? Was not Black Friday confined to that?

Mr. NEWLANDS. I do not really know how extensive that was in its effect. I know that the circulating medium in that city was cornered by a few men.

Mr. WALKER. Do you think the masses of the people are in the slightest degree interested in the struggle that takes place in the New York stock market where each man is struggling for the possession of the money that all who congregate there possess; the struggle being to decide who shall have the whole?

Mr. NEWLANDS. I do not think we could make the disaster complete unless the masses were in the struggle.

Mr. WALKER. Do you think it makes any difference to the common, plain people of the country, in whom the title to property resides, so long as they have the use of all property, the railroads, the canals, etc.? Is it of any earthly consequence to them, as between capitalists, who gets that money in this scramble?

Mr. NEWLANDS. I think so.

Mr. WALKER. What consequence is it, what difference does it make to them whether Astor or Jay Gould or Mr. Newlands gets possession of millions of property? Is it not a matter of entire indifference who owns the stock in these railroads so long as the freights are cheap and the people are not robbed?

Mr. NEWLANDS. I think that which makes a difference to the people is the quick and rapid destruction of values that takes place in these panics, and that destruction of property is felt throughout the country and reaches every class of property and every individual in the country.

Mr. WALKER. Here is a railroad said to be worth \$100,000,000. There is a financial crisis which operates on all property of that kind, on railroads and telegraph lines and everything of that nature, and the value of the stock of the hundred-million dollar railroad is reduced to 20 millions of dollars. The stockholders insist on having 5 per cent. on their \$100,000,000. The stock changes hands in the prices and that railroad is owned by persons who get it for 30 millions and who are just as well satisfied with 5 per cent. on 30 millions as the others were with 5 per cent. on 100 millions. Now, does that not inure to the benefit of the people in lower freight rates and lower passenger rates? The railroad collecting 1½ million from the people instead of 5.

Mr. NEWLANDS. I do not think that is the case. The persons that get the railroad for 30 millions get as much profit on their investment as the people did on the 100 millions. It is a wholly artificial destruction of values.

Mr. WALKER. Yes but the people pay 1½ instead of 5 millions. Will you give me the name of a solitary man in this country who has been engaged, within the last 20 years, in cornering money, either gold or silver? But I believe they have already got up a corner on silver.

Mr. NEWLANDS. If I knew such a man I would not give his name to you. I am talking of a system. I am not attacking the individuals who benefit by the present system.

Mr. WALKER. Do you pretend to say that the banks corner money?

Mr. NEWLANDS. Not intentionally, not with the intention of destroying values.

Mr. WALKER. Do you not think they are as just and desire the right, and as able to decide and just as safe to trust as any class of men are?

Mr. NEWLANDS. Yes, but bankers can not always pursue their own judgment. The money in banks belongs to depositors and the bankers have to shape their actions according to the fears of depositors.

CONDITIONS OF BIMETALLISM.

Mr. WALKER. Do you think an increase in the volume of the money in this country will stop the occurrence of stringency, etc.

Mr. NEWLANDS. I think the increase of our money value will and so far as free coinage safely increases our money volume—

Mr. WALKER (interposing). What do you mean by safe increase, keeping on a par with gold?

Mr. NEWLANDS. Yes; though I do not indulge in the great fears expressed of this country ever being upon a silver basis. In other words I think the country is better off with a larger volume of money on a silver basis than a smaller volume with a gold basis. I believe in making gold and silver the money of the country, and backing every note we have by the gold and silver in the Treasury.

Mr. WALKER. Are you willing to put in this bill that all silver dollars coined shall be redeemable by the United States in gold coin? If you are so entirely confident that silver will maintain its gold value at 1 to 16 of silver by the free coinage of $412\frac{1}{2}$ grains silver dollar, are you not willing to put in this bill for free coinage that the United States Government shall redeem in gold at the option of the holder every dollar of silver that is presented to it, because if it is at par with gold nobody would present it.

Mr. NEWLANDS. That would not be putting the country upon a bimetallic basis, and I believe in a bimetallic basis. If you make everything redeemable in gold you are not putting it upon a bimetallic basis.

Mr. WALKER. Is a country on a bimetallic basis where gold dollars and silver dollars are not freely exchangeable one for the other without commission?

Mr. NEWLANDS. I do not think the question of exchangeability has anything to do with it.

Mr. WALKER. Is it possible to have a country on a bimetallic basis where one coin is not freely exchangeable with the other without commission?

Mr. NEWLANDS. You mean by law exchangeable for the other?

Mr. WALKER. By law or custom.

Mr. NEWLANDS. You mean if I have a silver dollar I can compel you to give me a gold dollar for it?

Mr. WALKER. I mean where people would just as soon have one as the other.

Mr. NEWLANDS. The Government should determine what number of grains of silver should constitute a dollar and what number of grains of gold should constitute a dollar, and make each payable for debts; make each a legal tender. It makes the dollar a unit of value and fixes the number of grains of gold and the number of grains of silver that shall be contained in the dollar, and makes each a legal tender.

Mr. WALKER. That is theoretical bimetallism?

Mr. NEWLANDS. Yes, sir; that is if you add the free coinage of both.

Mr. WALKER. Now, practically, is it possible commercially to have bimetallism unless one is freely exchangeable for the other without commission; I mean unless that is the custom of all banks and moneyed institutions, and habit and belief of the people?

Mr. NEWLANDS. I think so; it exists now. Bimetallism exists in this country now.

Mr. WALKER. Have you any objection to putting into this bill that any man shall have a right to go to the Government and exchange gold for silver, and also have the right to exchange silver for gold, dollar for dollar, as struck in the mints of this country?

Mr. NEWLANDS. I should not give that right to the holder of money. I should give the right to the Government to redeem any of its Treasury notes in either gold or silver, according to its option.

Mr. WALKER. If the Government announced to-morrow that it would pay no more gold on these certificates and would redeem them in silver—the Government as one business concern—have you any doubt that we

would be on a silver basis immediately and gold would be at a premium?

Mr. NEWLANDS. I can not tell what the effect of that would be. I should think it would have a tendency possibly to put gold at a premium.

Mr. WALKER. Have you any doubt about it?

Mr. NEWLANDS. Yes.

Mr. WALKER. Why should you doubt? If a man has given a note payable in corn or wheat, and has announced that he would redeem his notes in bushels of corn rather than in wheat, do you not think all his notes would sell on the market from that day forward at just what corn was worth on the market?

Mr. NEWLANDS. Probably so.

Mr. WALKER. Is it not so in the matter of silver?

Mr. NEWLANDS. There are other conditions that enter into the question of money, and one is its legal-tender quality. I believe that the people of this country do not care to use either gold or silver actually, for they are both too weighty and too cumbersome. They do want to use notes, and want to know that those notes are backed by gold and silver in the Treasury. My policy would be to keep gold and silver nearly at an equilibrium in the Treasury, and a system could be easily devised that would do that.

Mr. WALKER. Did it increase the market price of silver to a parity with gold to have every mint in Europe open to free coinage of silver when they were open?

Mr. NEWLANDS. Of course.

Mr. WALKER. Perceptibly.

Mr. NEWLANDS. The parity was never broken until 1873, when silver was demonetized.

Mr. WALKER. That is what kept them at a parity?

Mr. NEWLANDS. The unrestricted use of silver as money.

Mr. WALKER. That is what kept it at parity with gold?

Mr. NEWLANDS. Yes.

Mr. WALKER. Now you will stick to that?

Mr. NEWLANDS. I think so.

Mr. WALKER. How is the free coinage of silver to change the price of an ounce of silver for any length of time when the international value of the pound sterling in gold fixes the price of every commodity sold in every country of the world, in every place commercially connected with the exporting and importing cities of that country, with every mint in Europe closed to the free coinage of silver, if what you have just stated is true?

Mr. NEWLANDS. My statement was that the demonetization of silver in 1873—

Mr. WALKER (interposing). No; I did not ask anything about that. I asked you a question. I asked you the question I have just repeated, and how is that possible?

Mr. NEWLANDS. I am answering you.

Mr. WALKER. All right.

Mr. NEWLANDS. I have already said that the demand for silver as money constitutes its principal value. To the extent that demand is lessened to that extent the value of silver bullion treated merely as a commodity is diminished. The demonetization of silver in 1873, first by Germany and followed by America, withdrew a portion of the demand for silver and hence it gradually declined in price.

Mr. WALKER. Did not the increased production of silver have anything to do with it?

Mr. NEWLANDS. Possibly. I will get to that in a moment. That decline in the value of silver as bullion increased as money was withdrawn, and of course the action of every nation had an effect upon that. Now, then, the value of silver as a commodity can be gradually restored by these nations taking up again the use of silver as money. It is admitted that they can do it by joint action.

Mr. BARTINE. Is it your opinion that free coinage in the United States would have a tendency to counteract the unfriendly action of European nations in dealing with silver.

Mr. NEWLANDS. I think it would. I think it would restore the old parity. I think the action of the United States alone would do it.

Mr. WALKER. You agree with Mr. Warner and Mr. Stark in that opinion, do you?

Mr. NEWLANDS. That is my opinion. I can not answer the question as to whether I agree with any other individual. That would necessitate the inquiry as to what their views are. I believe if the United States had not followed Germany in the demonetization of silver that the old ratio would have been preserved to this day and the Latin Union would not have taken part in the race to reduce the value of silver.

Mr. WALKER. Mr. Stark says that the arbitrary limitation of the manufacture of silver for the purpose of increasing its value up to that of some other coin is anomalous and inconsistent legislation. I will read you the following from Mr. Teller's statement. I asked him: "Would it not have the same effect you are seeking, that is, the depreciation of the gold dollar, by putting less gold in a dollar. That would raise the price—that is, nominally." He answered: "Certainly; I have not any doubt about that. And if you put more money in circulation it would raise prices, probably. I say that silver has not depreciated, because I say, compared with commodities, it will buy more commodities to-day than it would 15 years ago, when it stood at 15½."

Is it your point, Mr. Newlands, that you want to make a cheaper dollar to raise prices? Is that the point of the silver commission? And if you do not have a cheaper dollar, how can you raise prices?

Mr. NEWLANDS. Please ask my individual views, not the views of any organization. I am here as an individual.

Mr. WALKER. Did you not say, when you came in the other day, that Mr. Warner being away and he being chairman of the silver conference at St. Louis, you came here as an officer of that body to represent them in his place.

Mr. NEWLANDS. I think I did say something of that kind. I do not recall the exact words. General Warner is so very much better informed on this subject, that I would have been glad to have him here as representing bimetallism rather than myself. He was called away, and as the committee would not hear him the day he had to leave I appeared. You asked me whether my object was to depreciate the value of the gold dollar. My answer is that——

Mr. WALKER. I did not ask you about depreciating the gold dollar. What I asked was, is it not a cheaper dollar that you were seeking and would it not have the same effect in making a cheap dollar to take one-fifth out of the gold dollar.

Mr. NEWLANDS. My idea is to restore the old purchasing power to each dollar. By demonetization of silver the purchasing power of the

gold dollar was vastly increased and we want gradually to restore the equilibrium.

Mr. WALKER. How do you account for the fact that all the silver coin in our country that was sent to Europe from 1792 to 1834, when the coinage and mintage value of silver and gold was $15\frac{1}{2}$ to 1 in Europe and our coinage 15 to 1 of gold, and no gold was in circulation here during that time?

Mr. NEWLANDS. Did you say that our silver went to Europe during that time?

Mr. WALKER. Gold went to Europe.

Mr. NEWLANDS. And silver remained here?

Mr. WALKER. Silver remained here.

Mr. NEWLANDS. I do not know whether that is the fact.

Mr. WALKER. I can state to you that it is conceded all around that that is the fact, that when our coinage was 15 to 1 and theirs $15\frac{1}{2}$ —silver about 4 per cent. higher there—that our gold went to Europe and we had none here, and only silver remained here. It was the only coin money we had. That 4 per cent. was then enough to send it to Europe. Was not that the reason it went there?

Mr. NEWLANDS. Possibly, and possibly because the balance of trade was against us. We are obliged to send it to other countries when we buy their products and the balance is against us.

Mr. WALKER. Is it not the thing that this country is selling cheaper that leaves the country in demand of settlement abroad? Is not that the case invariably?

Mr. BARTINE. Or the thing that is the more valuable there; is that your idea?

Mr. WALKER. Yes, sir.

Mr. NEWLANDS. Yes, I imagine that is true.

Mr. WALKER. That is why it went there.

Mr. NEWLANDS. Why gold went there?

Mr. WALKER. Yes.

Mr. NEWLANDS. Really I do not know the reason why it went there. I do not know whether it did go there. I have general information to this effect, that in that period of our history when we coined 15 parts of gold to 1 of silver our silver remained here, and that as soon as we increased the ratio to 16 parts of silver to 1 of gold then our silver went away because it was worth more elsewhere.

Mr. WALKER. I am asking the questions in order to learn what your views are on this question. I have certain views, certain opinions, and those have certain relation to historic facts; facts that have transpired in the past that bring me to the conclusion I have arrived at, and I supposed that you, coming here somewhat as an expert, were familiar with the effect of our coinage since 1792.

Mr. BARTINE. You have led him off on many subjects on which he is not an expert.

Mr. NEWLANDS. I disclaim statistical knowledge.

Mr. WALKER. He is here to express the opinion of a body of men in this country who are in favor of the free coinage of silver.

Mr. BARTINE. It is the ultimate fact that he came to represent—that they want free coinage.

Mr. WALKER. You admit, then, that gold went to Europe from 1792 to 1834, because it was worth more in the markets of the world than here, and silver stayed here from 1792 to 1834 because we valued it higher, and from 1834 up to the suspension of specie payment, we over-valued gold as compared with the commercial price, and therefore

gold came here—all that we could take of it—and silver went to Europe because we undervalued it. That is the fact, is it not?

Mr. NEWLANDS. I can not say that I am familiar with these statistics so as to be able to answer definitely. My judgment is that your statement is correct.

Mr. WALKER. Is it not a fact, Mr. Newlands, in all frankness, that we can not properly determine the question as to the effect of certain action taken to-day with reference to silver and gold coinage without a knowledge of what the result of our coinage action in the past has been, and its results and the result of the action of other countries? Is not that knowledge a necessary element in forming an opinion of value on this question.

Mr. NEWLANDS. Certainly it is an element.

Mr. WALKER. Is it not the main element?

Mr. NEWLANDS. It is a very important one.

Mr. WALKER. Is it not the main element in determining it?

Mr. NEWLANDS. It may be.

Mr. WALKER. If that were the case at two periods, in two experiments, that our country has tried precisely in the line that you desire us to try upon now, that when we overvalued silver as compared with gold in the markets of the world that we had no coin but silver, gold all going out of the country; and then at another period we overvalued gold as compared with silver in the markets of the world, and all our silver went out of the country, what reason have you to think that if we tried the experiment again to-day of overvaluing silver as compared with gold by 20 per cent., more or less, that the same thing will not result again and all our gold go out of the country?

Mr. NEWLANDS. The conditions are different for one thing.

Mr. WALKER. In what respect?

Mr. NEWLANDS. The balance of trade is largely in our favor.

Mr. WALKER. Have you any other reason?

Mr. NEWLANDS. The fact that, although these very conditions have existed ever since 1878 in this country, that is to say, the increasing and progressive use of silver, the gold in the country has steadily increased, increasing from the amount of about 106 millions in 1870, I believe, to about 550 millions outside of the 100 millions in the reserves of the Treasury in 1890, and increasing between 1880 and 1890 in a very large degree. We have to-day 550 millions more of gold in the country than in 1870 and about 400 millions more than we had in 1880.

Mr. WALKER. Did you ever see the fact stated that when Japan opened her ports the silver value was 4 to 1 of gold, and the Chinese merchants went over there with silver and took out in one day the \$30,000 or \$40,000 of gold Japan had, taking it to China?

Mr. NEWLANDS. I do not know the fact.

Mr. WALKER. It is a fact publicly known.

Mr. NEWLANDS. I presume they did if they could.

Mr. WALKER. They went over there and took it at 75 per cent. profit, and do you not suppose they would have done it as quickly at a profit of 20 per cent.?

Mr. NEWLANDS. Well, they have not done it in this country.

Mr. WALKER. Do you not think they would have done it in Japan just as quickly at a profit of 20 per cent.?

Mr. NEWLANDS. I do not know.

Mr. WALKER. Would not you have done it? Would not you have taken silver and got their gold at a profit of 20 per cent. if you could get it to China?

Mr. NEWLANDS. I would take silver where I could get a good profit on it, or gold where I got a good profit on it. I would not sell silver at a loss. I would not take silver coin at 133 per ounce and put it in the melting pot at 129.

EXTENT OF DEMAND FOR FREE COINAGE.

Mr. WALKER. Do you know Mr. Curtis who testified before the Silver Pool Committee?

Mr. NEWLANDS. Yes, sir.

Mr. WALKER. Is he a reliable gentleman?

Mr. NEWLANDS. Certainly. I do not know why you ask this question.

Mr. WALKER. It was stated by Mr. Curtis that about a million papers had been sent out in one way and another by the Executive Free Coinage Committee, and I think it was stated that about 8,000 blank petitions had been sent out for signatures, and the memoranda of those that had been returned showed that the petitions of the National Silver Committee returned are 101 in number, and had 4,439 signatures; of the petitions of the Nebraska Farmers' Alliance there were 48, with 1,588 signatures. The petitions of the others, were 28 that had been referred to the committee, 1,771 signatures, making 187 petitions in all that had been returned. Do you know how many have been sent out other than those Mr. Curtis stated?

Mr. NEWLANDS. You are still pressing these inquiries, and I have already told you that I do not think it is a proper inquiry. I do not really know that.

Mr. BARTINE. What bearing has that as to whether silver is on a sound basis or not?

Mr. WALKER. It has a very important bearing. It is quite different with a man coming here as an individual. Mr. Newlands comes here as a representative of a powerful and rich organization.

Mr. BARTINE. Are you considering the question on the basis of the demand?

Mr. WALKER. This is entirely legitimate. I only want to get at the scope of the action of the Silver Committee.

Mr. BARTINE. You want to get into the record that only a few have petitioned for it?

Mr. WALKER. The Pennsylvania granges had 82 and the others 37.

Mr. NEWLANDS. I do not know how many people have petitioned and do not know how many petitions have been sent. I know that there was a bimetallic convention in St. Louis, at which delegates were present from almost every State in the Union.

Mr. WALKER. This is my last question, and I want to thank you for your patience and politeness to me through this investigation, which has been tedious beyond what I intended, and I thank you for your attendance here so many days, but I do not feel that I am wholly to blame for your not being promptly examined, because I think you have yourself given way to many gentlemen who came in between you and what were your rights.

Mr. NEWLANDS. I have been desirous of accommodating the gentlemen from abroad, as I was staying here.

Mr. WALKER. You are an officer of this bimetallic convention?

Mr. NEWLANDS. Yes, sir; and addresses were made there by able men, which were afterwards published in pamphlet form and circulated throughout the country, and there has been the usual agitation on this

subject in the shape of sending speeches and circulars throughout the country and endeavoring to start public sentiment. The same kind of agitation as on the other side of the question, and the same kind of organization, although not so loudly heard as the organizations recently represented here, such as chambers of commerce and boards of trade and other institutions allied to the banking interests of the country.

STATEMENT OF MR. J. S. MOORE, OF 30 BROAD STREET, NEW YORK.

POUND STERLING THE INTERNATIONAL STANDARD.

Mr. Moore then addressed the committee. He said: Mr. Chairman and gentlemen of the committee, the statement I wish to make is simply this: It is very easy to find and demonstrate that a pound sterling is the standard of the world in international commerce, for the simple reason that if I am a purchaser in New York and get a cargo of tallow from Russia, and have to remit money, I do not remit anything else but this pound sterling. I do not remit money or coin, but I buy exchange and send that exchange to Petersburg or Kronstadt; buy that exchange on Petersburg or Kronstadt. Again, if I want to buy a cargo in Calcutta, I simply go and buy the sterling exchange, and sell that sterling exchange and buy my cargo. That is one of the reasons that England will never agree to a bimetallic currency, because gold has become the standard of value throughout the world. That is all I wish to say on that point.

ADDITIONAL STATEMENT OF JOSEPH S. MOORE, OF NEW YORK CITY.

EFFECT OF INDIAN ABSORPTION ON PRICE OF SILVER.

Mr. MOORE. I suppose I can speak rather as an expert in giving the reason for the fall of silver. I think it is a mistake to suppose, as has been always supposed, that the demonetization of silver by the Latin Union alone or Germany was the real cause of the great fall of silver from 65 pence an ounce to 37 pence.

Mr. BARTINE. When was it ever 65 pence?

Mr. MOORE. In 1864 or 1865.

Mr. BARTINE. I think you are mistaken, but go on. I never heard of its being more than 62 pence.

Mr. MOORE. It was during the time of the great cotton speculation in India; I know what I got for a rupee.

Mr. WALKER. You have had large experience in the India market?

Mr. MOORE. I had a house in Bombay.

Mr. WALKER. Have you lived there?

Mr. MOORE. My home was in England, but I had a house there and I used to go over there. Silver always was a merchandise. Either silver or gold is merchandise. There can be only one standard. In India, for instance, gold is the merchandise. Silver was always a merchandise, and was subject to the value that gold measured it by.

Now, then, the trade of India for the last 200 years has always been in her favor. That is to say, up to 1857—until the Sepoy war—there was a balance of trade in favor of India to the amount of about \$500,000,000, or £100,000,000 sterling. That had to be made good only in one

thing, and that was silver. Hence the merchants bought the silver of Mexico, which they generally got in Mexican dollars, but we always bought them by the ounce, or any silver wherever it came from, and it was shipped by every steamer to India to make good this balance of trade.

This went on up to 1857, when the Sepoy war commenced, and we all know that England came very near losing India. Then Parliament appointed a commission to look into this India matter to see how it was possible in the future to keep the country and not be subject to these revolutions and lose it. The conclusion was that the only way to keep India was to make roads. The communication was bad in India. Up to that time they only had cheap travel in India—very small bullock wagons. There was no road but the Bombay road, no railroads or telegraphs, and no communication in fact. It took 14 days when the Sepoy rebellion broke out in the interior of India to bring the communication down to Madras that there was an insurrection.

The English concluded that in order to keep India they had to build railroads and telegraph lines, and so on. They projected those great railroad from Madras to Bombay and from Bombay to Delhi, and all over India, and the bonds to build the railroads were granted by the India Government, which virtually means the English Government, and that interest was always payable in London at the East India Company, then called, or as now called, the East India Department.

When these great expenses had to be incurred in India, and India no longer required the silver to be sent out there for balances, we went and bought rupee paper, or rather East India Company Exchange, to keep the money in India. Therefore the demand for \$500,000,000 of silver every year ceased. That is, the demand was less by that amount of silver all over the world.

Mr. BARTINE. Do I understand you to say that prior to that time India had been demanding and receiving 500 millions a year in silver?

Mr. MOORE. Yes, sir.

Mr. BARTINE. Where did she get it?

Mr. MOORE. Got it from Mexico and South America.

Mr. BARTINE. But, my dear sir, do you not know that the production of silver never exceeded 100 millions a year.

Mr. MOORE. Up to 1857 there was a grave question whether the silver all over Europe would not disappear altogether, and in fact it did disappear a good deal.

Mr. BARTINE. Then you mean they got it from the accumulated stores in Europe.

Mr. MOORE. Certainly. We shipped the balance of silver. Whether it was 500 millions a year or 400, or even 700, of course I can not say. That depended upon the demand—the demand on the council bills.

Then the demand for silver in India ceased, and on top of that the supply was so much more on account of the discovery of the Comstock lode. The two things came together. That made it imperative that silver should fall in price, and the only thing that kept it up from 1860 and a little farther was the Latin Union who had agreed to the international coinage. When silver depreciated so very much during that time the Latin Union became afraid, or rather France was, and they broke it up, and that was another cause why silver fell lower than it was before. And that is the actual fact why silver has been lower in price, and not as stated by Mr. Newlands that it was the demonetization of silver by the United States just on top of the Latin Union.

Mr. BARTINE. Your point is, that it is owing to a smaller demand for silver in India.

Mr. MOORE. Yes, sir; and a larger supply.

Mr. BARTINE. If that is the fact did the demand for silver in India have any tendency to preserve a ratio of $15\frac{1}{2}$ to 1 between the two metals?

Mr. MOORE. It all depended on the trade. For instance, what you call a ratio of $15\frac{1}{2}$ to 1 or 15 to 1 is the fact that it takes 15 ounces of silver to make 1 ounce of gold. But if the East India merchants had sent a great deal of goods, for instance cotton and so on, during the American war and had bills for sale; there were so much more in the market that the rupee fell. The actual value of a rupee is 2 shillings.

Mr. WALKER. The nominal value, you mean?

Mr. MOORE. The nominal value, yes. Then you see we got so much more when they had a good many bills to sell that it was so much cheaper.

Mr. BARTINE. Did a demand for 100,000,000 pounds sterling of silver in India have any tendency to link the two metals together?

Mr. MOORE. What do you mean by two metals. I lived in India and did a great business there. I never saw gold except in the noses and ears of the natives.

Mr. BARTINE. The evidence shows very clearly that for 75 years prior to 1873 there had been no material divergence from the ratio of $15\frac{1}{2}$ to 1. Ordinarily the value of an ounce of gold was $15\frac{1}{2}$ ounces of silver. Now, what I am asking you is, if the demand in India had any tendency to link the metals together, and if so, why?

Mr. MOORE. In the first place, I can not alter the fact that there is no gold ratio in India.

Mr. BARTINE. I mean in Europe. They were linked together in Europe?

Mr. MOORE. No; it was that instead of the $15\frac{1}{2}$ ratio was the ratio made by the Latin Union.

Mr. BARTINE. If it was the Latin Union ratio that held them together how do you reach the conclusion that—

Mr. MOORE (interrupting). When India ceased to have a demand that broke down the ratio.

Mr. BARTINE. You mean if there had not been that great demand in India the Latin Union could not have maintained that ratio?

Mr. MOORE. I mean that silver always was a merchandise and the price was owing to the supply and demand.

Mr. BARTINE. The royal commission that investigated this silver question in India in 1886 and 1887 consisted, as I understand it, of 6 bimetallicists and 6 advocates of the gold standard. In the first portion of their report, which is signed by all 12, they distinctly state that it was the maintenance of free coinage in France from 1803 to 1865, and the maintenance of free coinage in the Latin Union from 1865 to 1873 that maintained what is known as the bimetallic par, and they make no special mention of any falling off in the demand for silver for use in India. How do you account for that?

Mr. MOORE. I can not account for admitted facts, but it is nevertheless true. Instead of sending silver by every steamer up to that time, the demand entirely fell off, and there was no demand for silver, but the merchants who had to make the payments bought consol bills.

Mr. BARTINE. Do you not know that Mr. David Barbour, a former financial secretary of India, and Mr. Waterfield, another secretary of India, both testified before that commission?

Mr. MOORE. Yes, sir.

Mr. BARTINE. Did either of them make such statement concerning East Indian trade and imports of silver as you have made here to-day?

Mr. MOORE. It is nevertheless a fact. I can not help what they did. They have enough silver in India to serve their balance.

Mr. BARTINE. How much silver is there in India?

Mr. MOORE. Only God Almighty can tell.

Mr. BARTINE. Do you know what the estimates are?

Mr. MOORE. I do not know what they are, but there is more silver underground, not in mines, but hoarded, than there is above ground.

Mr. WALKER. They call India a sink hole for silver.

Mr. MOORE. Yes, sir; it is a sink hole for silver.

Mr. WALKER. There was exported to India, according to the statistics, from Great Britain, and I suppose most all of it goes from there, 5 million pounds last year, and 2 or 3 years before that 7 million. Now if India is a sink hole for silver at 5 millions of silver per annum, how much of a sink hole are we at 65 millions of dollars?

Mr. MOORE. In justice to real facts it must be said that India is called a sink for silver, for the simple reason that we have sent 100 or 200 millions of silver a year to India, but none has come back. You do not see any coming back from India.

Mr. BARTINE. I want to get at facts bearing on this question. You have stated as facts some things that are entirely new and strange to me. Can you refer me to any authority which will show that India ever in any one year received £100,000,000 sterling in silver?

Mr. MOORE. I will write to London and get them.

Mr. BARTINE. Will you send them to me?

Mr. MOORE. I will.

Mr. BARTINE. Give the authority when you send it.

Mr. MOORE. Yes, sir. We can only go by statistics.

Mr. WALKER. You said in one of your statements that it made it imperative that silver should fall; what do you mean by that? Do you mean by the law of trade?

Mr. MOORE. By the laws of trade.

Mr. WALKER. That is a falling off of demand?

Mr. MOORE. Yes, sir.

Mr. WALKER. What do you mean by imperative—inevitable?

Mr. MOORE. Yes, sir.

Mr. WALKER. I understood Mr. Bartine to say that the maintenance of the free coinage of silver by the Latin Union was the potential influence of keeping silver for many years to 15½ for 1 of gold. If that was the potential influence in doing that, if all Europe has ceased coining, what is the potential influence now to keep them at par?

Mr. MOORE. They do not. Of course you must use up or get rid of the silver that is coined, but if I have silver for sale I do not get 15½ for it. What is the price of silver? Forty-six and three quarters. That is not 15½ to 1. If we were in France now and got a 5-franc piece, that is 15½ to 1. The stamp makes it 15½ to 1, but if I want to sell the piece I do not get 15½ to 1, but get at the rate of 47 pence, or whatever the market price is.

Mr. BARTINE. Are the French people selling their silver as bullion?

Mr. MOORE. No, sir; because it is acknowledged as money.

Mr. WALKER. Paper is acknowledged here as money just the same as their franc is.

Mr. MOORE. After all, paper would change in value. If you want more money why do you not have more paper—paper is better?

Mr. BARTINE. You think it better to issue paper, shut down all silver mines, throw the miners out of work, and destroy those States that depend on this great mining industry in order to establish more banks and have more paper money, do you?

Mr. MOORE. I am connected with a smelting company.

Mr. BARTINE. Would you be in favor of substituting paper for silver and making our silver worthless?

Mr. MOORE. I have not come here to advocate fiat money, but I have stated that paper is quite as good, to make it stable, as putting on something that would be subject to fluctuation.

Mr. BARTINE. That is considering it merely as a question of currency?

Mr. MOORE. Yes, sir.

At this point (1 o'clock and 5 minutes p. m.) the committee took a recess until 2 p. m.

Mr. Moore subsequently sent the following additional statement to the committee.

NEW YORK, February 23, 1891.

To the Coinage Committee:

GENTLEMEN: I have written to England for data of silver exports to India during the present century. But as that will take sometime before I get an answer, I will in the meantime give you the export from the years 1859 to 1867, inclusive, which were officially compiled by McCullach, and which can be verified in his book, page 1129.

Silver exports from Great Britain to India..

	Pounds sterling.		Pounds sterling
1859	16,004,028	1864	6,308,368
1860	8,124,256	1865	3,808,260
1861	7,281,872	1866	2,537,930
1862	10,710,299	1867	647,415
1863	8,820,842		

Thus it will be seen that my statements that the falling off in the export of silver to India began, and went lower and lower, as soon as the India council began to sell bills on India to pay interest and dividends on the railroad obligations of India, payable in London.

Very respectfully,

J. S. MOORE.

P. S.—The above shipments of silver were from Great Britain only, and don't include the silver shipped from France, Italy, or any other countries. Of course the shipments from France were very heavy, in fact, up to 1862-'63, it was very much feared that Europe would be depleted of all her store of silver. The conclusion is that the India demand of silver having partially ceased and the supply in America and other silver-producing countries increased, that the value of the metal by the inevitable rule of supply and demand must materially depreciate, and that the so-called demonetization in 1872-'73 in this country was the smallest possible factor in the fall of price in silver.

J. S. M.

AFTER RECESS.

STATEMENT OF MR. WILLIAM H. BECK.

FREE COINAGE HURTFUL TO THE PRICE OF SILVER.

Mr. BECK. I am spending the winter in Washington and am connected with the mining interests in Montana. As a miner I am interested in any system that will legitimately give me the best price for my silver product. I am opposed to the Senate bill for the free coinage of silver for the reason that I believe I am much better off under the present system. Under the law as it now stands 4,500,000 ounces of silver are taken out of the market every month and withdrawn from the world as certainly and as securely as if it were buried in the ocean. This is 54,000,000 ounces every year. It is practically as if it were consumed. It will never come out honestly and peacefully until the commercial world is willing to give 1 ounce in gold or in gold values for 16 ounces of it. Whether more money is needed or not, whether the volume should be enlarged or curtailed, makes no difference. Four and a half millions of ounces of silver per month, equaling 54,000,000 ounces per year, must be bought under the present law and withdrawn from the market.

Under the free coinage law the values of silver bullion and of silver coin will be equalized, just as to day the values of gold coin and gold bullion are equal.

One hundred ounces of gold coin or any given number are worth no more in the market than a like number of ounces of gold bullion. I do not believe that there is any sanctity or potency about silver that will prevent a like equalization of silver coin and silver bullion.

Whether the silver bullion reaches up to 16 ounces of silver to 1 of gold, or drops down to 25 ounces of silver to 1 of gold, the result will be the same, the coin value of silver will be the same as the bullion value of silver.

This being the case, silver coin will be a commodity to be dealt in as much so as gold coin and gold bullion are now, and will be governed in price by commercial laws, and prices will be regulated by the supply and demand, and silver coin will be bought and sold just as silver bullion is at present.

This is the case to-day in Mexico. The free coinage of silver in Mexico does not prevent the Mexican coin from being bought and sold in the city of Mexico just as it is elsewhere as bullion, and the fact that they have a parity between their gold coin and silver coin established by law does not alter the fact that gold is at a premium in Mexico, and that a given number of gold dollars will buy more than a like number of silver dollars. As the coin value and the bullion value of silver will be the same under free coinage, all inducements for the coining of silver with the view of obtaining a larger price for it will be gone, for the miner of silver may as well have his silver in the form of bullion as in the form of coin. Instead of being stored away and withdrawn, as it is at present, under free coinage, it will remain on the market. The miner in Mexico does not, under free coinage there, obtain any higher price by the conversion of his silver bullion into coin, and I do not see why the American miner will do any better.

In an article by Mr. Mills, in the North American Review for May,

1890, he says, speaking of the stock of silver held by various countries, that—

When it passes the boundaries of its own country it ceases to be money and becomes a commodity. It ceases to carry with it the value given to it by law and only retains the value given to it by commerce. It is worth to-day 72 cents in the dollar in the open markets of the world, while it is worth at home more than 100 cents to the dollar.

Under the present law the silver dollar is worth in the markets of the world 78 cents, while at home it is worth 100 cents. The American silver miner has the certainty that owing to this overvaluation more than 54 millions of ounces per year will no longer be a commodity at home or abroad. I do not think that his interests will be improved by a change from the present law to free coinage. Besides, with free coinage we will have our mints open to the entire silver product of the world. There is not even an attempt at protection for what is certainly a great American industry. I know that many of the free coinage people affect to think that there will be no danger from this source.

In this same article by Mr. Mills he says "It is said by some that if we open our mints to unlimited coinage we shall be flooded with the cheap silver of the whole world. Unfortunately for the country there is no danger of such a boon." I doubt very much if the miners of the far West will think it a boon to have silver flowing from abroad into our mints.

Under free coinage normal influences alone will determine the volume of circulation and of silver. No such abnormal measure as the present law which compels the purchase of 54,000,000 ounces of silver yearly, whether wanted or not, will be at work. We know that as confidence is restored more credits are used and less money. It seems to me that the most efficient way to create a demand for metallic money is to keep up an everlasting distrust. That is all I have to say on this point.

Mr. BARTINE. What branch of the question are you now going to take up? You say you have got through with that branch?

Mr. BECK. I believe that the present law which takes 54,000,000 ounces of silver out of the market is a better thing for the silver miner than the free coinage.

Mr. BARTINE. What are you going to now?

Mr. WALKER. Let him develop it in his own way.

Mr. BARTINE. I want to know whether it dovetails with what he has already said. I understand your position, then, to be this, that under free coinage the value of the silver dollar will come down to the present value of the bullion.

Mr. BECK. It would be commercially regulated. Whatever bullion would be in the dollar would be equal in value to that much silver in the uncoined bullion.

Mr. BARTINE. Is it your belief that if we had free coinage the market value of the dollar would come down to the market value of the bullion, as it now is?

Mr. BECK. Probably higher or lower than it now is, but it would be equal with bullion.

Mr. BARTINE. I want to get your idea upon this point. I asked whether free coinage would have the effect of bringing the bullion up to the coin value or of bringing the coin down to the bullion value? Now which do you think it would be?

Mr. BECK. I think they are tantamount to each other. I think other causes regulate the price of both; supply and demand regulate it. I

believe under free coinage there will be no coinage if there is no demand for the money.

Mr. BARTINE. Let us see if they are tantamount to each other. At the present time the bullion value of a silver dollar measured in gold is 78 cents. That is so, that is what you stated.

Mr. BECK. Yes.

Mr. BARTINE. Now the question is whether, if we have free coinage, the dollar itself will come down to 78 cents, or the 78 cents worth of bullion in that dollar will go up to the 100 cents.

Mr. BECK. I do not think free coinage will affect it at all except that if there be free coinage there will be 54 millions of ounces of silver more on the market than there is now.

Mr. BARTINE. That is not responsive to my question.

Mr. BECK. I am not able to answer the question.

Mr. BARTINE. I understood you to say that free coinage would not bring silver to its present par value.

Mr. BECK. Free coinage will equalize the bullion value and the coinage value.

Mr. BARTINE. What is the reason that you can buy silver bullion for 30 cents less an ounce now than you can buy an ounce of silver in the shape of coin?

Mr. BECK. I can and I can not. I can buy the same silver in Mexico in the form of coin at the same price as bullion. Where you put a stamp on a metal and make it a coin and you maintain an exchangeability for something that is intrinsically more valuable it is always worth what it is exchangeable for.

Mr. BARTINE. The point is this, then, that when you get your bullion converted into the form of money, your view is that it is then exchangeable for a gold dollar, and consequently it is worth more than while in the simple form of silver bullion.

Mr. BECK. Yes, while you maintain the exchangeability.

Mr. BARTINE. The simple change of bullion into money which you can use as legal tender to pay your debts or exchange for gold when the opportunity offers gives it an additional value over the bullion?

Mr. BECK. Yes, sir, while you can exchange it.

Mr. BARTINE. Then what, in your judgment, would be the effect upon the price of bullion if it could all be converted in that coin?

Mr. BECK. If all the bullion of the country could?

Mr. BARTINE. All the bullion that is on the market and likely to get to the market—suppose all could be coined into money, what would be the effect?

Mr. BECK. Under free coinage?

Mr. BARTINE. Yes.

Mr. BECK. I think it would drop down to the bullion price of silver as sold in the markets of the world.

Mr. BARTINE. I understand you to say that the reason why bullion is not worth as much as coin is because the coin has uses that are denied to bullion. Suppose you took up all the bullion and invested it with those particular functions and privileges, would it have the effect of making the bullion worth more or less.

Mr. BECK. If you could maintain the exchangeability of one coin with something more valuable it would give it that value; if that exchangeability ceased then that value would be that of the bullion.

Mr. BARTINE. Do you think that under free coinage the exchangeability would cease.

Mr. BECK. I think the exchangeability would cease. The point I

wanted to bring out was that the present law is better for the miner than free coinage because it withdraws from the market 54 millions of ounces of silver; but if 70 millions or 80 millions were withdrawn from the market it would be better for him. If the Government of the United States bought and stored down more silver than they are doing now it would be better for him because it would be absolutely withdrawn from the market. Free coinage would not take an ounce out of the market. Silver coin would be just as much a commodity as silver bullion.

Mr. BARTINE. Is gold coin a legal tender in Mexico?

Mr. BECK. I always understood so.

Mr. BARTINE. Did you ever hear Mexico spoken of as a bimetallic country?

Mr. BECK. Yes, sir. You will find a very interesting article on that in one of the magazines published within the last year. The same thing that in some number of the Forum, I think, it is predicted will happen here has happened there.

Mr. BARTINE. Then your argument with reference to the effect of free coinage in Mexico is grounded upon the belief that it is a double-standard country?

Mr. BECK. Yes, sir.

Mr. WALKER. You mean by a double-standard country that both metals are coined there?

Mr. BECK. My belief is that both metals are coined there. If I had the report of the Director of the Mint I could show you that. Further than that, both metals are legal tender at the legal ratio, but silver only is tendered in payment. Wherever there is free coinage in either gold or silver the commercial value of the coin and the metal are the same. Ten pounds of gold coin are worth no more here than 10 pounds of gold in bullion and the same under free coinage will be the rule as to silver. Whether silver bullion goes up or goes down the coin value and the bullion value will be the same. Now, if the causes that have been at work and which have caused a depreciation steadily for the last 400 years in silver continue and other causes come in to lead to further depreciation I do not know why silver can not depreciate to a—

LONG CONTINUED DEPRECIATION OF SILVER.

Mr. BARTINE (interposing). Do you take the ground that silver has been depreciating steadily for 400 years?

Mr. BECK. I do; I have here with me and will give you a translation of a statement to that effect.

Mr. BARTINE. If you state such to be the fact and have any document to support the statement why not content yourself with the mere statement of the fact and simply put in your authority to be printed with your remarks?

Mr. BECK. I made a translation of this report. It was the report of the French committee on bimetallic currency that sat in 1876, and the question arose as to whether there had been a depreciation of silver. The committee in their report say that there has been a depreciation. This is my translation of their report, and it is rather a liberal one:

But the cause which has made for 4 centuries the relative value of silver to slowly decline and without cessation is of a more general nature. The people of the Western countries have become dissatisfied with silver. They do not accept it except for the payment of small sums. This dissatisfaction is increased in proportion as gold has become more abundant and has been able to replace silver in a certain measure for the larger payments. The traveler finds gold more convenient to carry, the treasurer finds it more easy to hide; it is fifteen and a half times less heavy with equal value, and requires forty times less space.

These were the reasons I found in that report. To these I add the vast expansion of credits in the last few years as depreciating the value of both silver and gold, but especially the value of silver.

COST OF PRODUCING SILVER.

In my observation in the far West I see causes there that I think are tending very much to depreciate the value of silver. When I went to Montana in 1886 it cost us to transport our ores from Dillon to Omaha \$24 per ton. That transportation now costs \$10 a ton. It cost us then to treat the ores \$17 a ton. Now it costs \$8 and \$10. Mining powder cost us 50 and 60 cents a pound. We can buy it now for 20 and 22 cents a pound. It cost us then to board a man \$1 a day and more. We can do it now for a less sum. Machinery is better, and improvements in mining machinery are being continually made. Concentration of ores is extending very largely. Many of our ores that were considered of no value a few years ago are now quite profitable.

When I first went to Colorado in 1878 the superintendent of a silver mill at Georgetown told me that he could not afford to treat ores that assayed less than \$20 to the ton. By concentration ores can now be profitably handled that yield as low as \$5 a ton. By using scientific processes of treatment low grade ores, running 2 or 3 ounces of silver and 3 or 4 or 5 per cent. in lead, will yield a good profit. In 1889 I went to Patricroft, about 15 miles from Manchester, England, and spoke with the owner of a large smelter located at that place. He showed me a lot of ores and finally some slag which he stated worried him, as he would have to melt it over again. He said that it carried 1 ounce of silver to the ton. I said, "Can you derive any profit from melting that down for 1 ounce of silver?" and he said, "Yes, there is a small profit." What an immense field there is when you can handle cheaply low grade ores.

Mr. BARTINE. Do these improvements in metallurgy in the manner of reducing ores go to the question of aggregate cost of producing silver, or do they simply go to the point of enabling us to work ores that we could not formerly work profitably, or do you regard the two propositions as being identical?

Mr. BECK. I do regard the two propositions as identical. From my observation in the section I am in in Montana and from what I read and hear cases of bonanzas like the Comstock and Granite Mountain are few and far between.

Mr. BARTINE. We will all agree with you on that point.

Mr. BECK. But of low grade mines and small beds of ore the number is absolutely illimitable.

Mr. BARTINE. Admitting everything you say in regard to mining, metallurgy, machinery, reduction, chemical process, and the like, is it or is it not true that to-day, even with all these improvements, a dollar in silver costs more than a dollar to produce it, taking into consideration all the labor that is bestowed in that line of industry?

Mr. BECK. I do not think it does. I do not agree with the gentlemen who say that for every dollar we get from our Rocky Mountain mines we spend a dollar to produce it, and no man knows better than yourself the amount of wildcatting that has gone on in our Western country and that is improperly charged to mining.

Mr. BARTINE. You exclude this wildcatting you speak of?

Mr. BECK. Yes, sir. One man said to me as many others have also said, that he was interested in mining. I asked him how, and he told

me that he owned some mining stock that he had bought in New York, and I said "You are no more engaged in mining than a man is in rail-roading who has bought some railroad stock." There are millions of money charged up as lost in mining that had nothing to do with mining, but were simply gambling deals.

Mr. BARTINE. I am speaking of actual, physical mining.

Mr. BECK. I think the profits have been infinitely beyond the cost. I have been in the business 5 years, and think it is about as legitimate an industry as I ever saw. I am satisfied with all my ventures out there.

EFFECT OF EXPANDED CREDITS ON GOLD AND SILVER.

Mr. BARTINE. Are you actually engaged in the mining business?

Mr. BECK. Yes, sir. I think one of the great causes of depreciation in silver is the extension of credits that exist in the world. We have in this country to-day about 4,000 banks. An English writer who submitted a paper to the Royal commission very properly characterized a bank as an institution to manufacture credits. We have 4,000 of those instruments that manufacture credits in the United States. There is nothing in the world that tends so much to the depreciation of metallic money as the creation of commercial credits.

Mr. BARTINE. Would not that argument apply just the same to gold?

Mr. BECK. I think so.

Mr. BARTINE. Has gold depreciated during the last few years?

Mr. BECK. I think so. I know when I was a boy it was rare to see a man with a gold watch. Only 14 or 15 men in my county had gold watches. Now nearly 2,000 have them. I see laboring men carrying gold watches and servant girls loaded down with jewelry. Salaries are higher. It was thought well enough to give a Congressman \$8 a day at one time, and now they think \$5,000 is too little for a year. Lawyers and physicians and other men get more now, and probably more in this country than elsewhere.

INCREASE IN PRODUCTION OF SILVER.

Mr. WALKER. Is it your belief that these metals, which practically come under the head of silver, extracted from low grade ore, will be produced more plentifully? I mean with what you mention with respect to transportation and everything else, will the production of this metal be accelerated in the future rather than retarded?

Mr. BECK. I think so. I think within a few years silver bullion will go down to 80 cents an ounce. I am sorry for it. I would like to see some way to keep it up.

Mr. BARTINE. You spoke of the fall in the value of silver being due to the diminished cost of production.

Mr. BECK. That is one of the causes.

Mr. BARTINE. How do you account for the fact that silver and gold parted company so suddenly in 1873 and have been getting a little farther apart ever since, excepting, of course, the recent rise?

Mr. BECK. The causes that led to parting at that time were the demonitization of silver by Germany, the suspension of free coinage in France and the Latin Union, and what I might say was almost a phenomenal increase of production. Our Pacific railroads were branching out into the mining country about that time. Of course you have had this problem here before. In 1860 the silver production was 2 millions.

Ten years later it was 16 millions, and 10 years later over 39 millions, and in 1890 it is estimated that we will have about \$64,000,000 worth. That is my information from the Engineering and Mining Journal. The Director of the Mint told me the other day that in 1889 or 1890 the coinage value of silver produced in Mexico would be about \$55,000,000.

Now as to the volume of this metal. Since the foundation of Mexico the Mexican mints have coined over 3 billions of silver dollars. Assuming the population at 10,000,000, it makes about \$320 a head. The Director of the Mint told me that the per capita in Mexico was \$4.31 of silver with all her vast production of silver.

Mr. WALKER. How much of paper?

Mr. BECK. With silver, paper, and gold, \$5.51. Here are tables that I will submit.

Per capita estimate of the circulation of the following-named countries for the year 1890.

Countries.	Gold.	Silver.	Unearned paper.	Total.
Australia.....	\$25. 00	\$1. 75	.....	26. 75
Mexico	. 43	4. 31	\$0. 17	491
Bolivia	} 1. 29	. 71	8. 57	10. 57
Chili				
Peru				

Coin and paper money per capita in actual circulation in the United States each year from 1860 to 1863, and from 1873 to 1890.

[From 1864 to 1873 the currency was greatly inflated, and gold and silver were at a premium from 1863 to 1879.]

1860	\$14. 06	1877	\$17. 23	1884	\$22. 38
1861	15. 22	1878	17. 21	1885	22. 61
1862	16. 29	1879	17. 03	1886	21. 39
1863	18. 67	1880	19. 51	1887	21. 58
1873	18. 92	1881	21. 76	1888	21. 84
1874	19. 30	1882	22. 33	1889	21. 38
1875	17. 83	1883	22. 83	1890	23. 11
1876	17. 12				

Mr. BARTINE. Your proposition is substantially that no matter how much money may be coined in a country no more will remain there than the business of the country requires and justifies.

Mr. BECK. That is my opinion.

Mr. BARTINE. I think so, too.

ACT OF 1890 BEST FOR SILVER.

Mr. BECK. That is unless you have some device to keep it there, and for that reason the present law, which absolutely locks up and buries 54 millions of ounces of silver a year whether the needs of the country require or not, seems to be a great deal better for the silver miner than the other system. If this system locked up 80 millions I think it would be still better for the miner.

Mr. WALKER. Do you know of any persons whose opinions would be considered of value who are of the same opinion you are on this point?

Mr. BECK. I am in receipt of a letter from ex-Governor White, of

Montana. I spoke to him last spring with reference to the money question, and at the end of his letter Governor White says this:

We are looking for no further silver legislation this session and hope there will be none. Sentiment here is changing and reason is taking the place of sentiment. Absolute free coinage would be a disaster that could not be measured, in my opinion.

I met the other day Mr. Philip Shenon, a silver miner of Bannack, Mont., who had just returned from Europe. He told me he was not in favor of the free coinage of silver. He thought we were better off as we are, and said that the gentlemen he mingled with in England were very desirous that we should have free coinage over here.

BROKERAGE ON FOREIGN TRADE.

Another point that I think would militate against the miner if we got down to a silver standard is this, the exchanges of our vast commerce here would cost us more than they do now. It would establish another gold room in Wall street. The consumer must pay it in the end, and the broker generally takes off a little more than the difference between the two metals.

Mr. BARTINE. If we are on the silver basis and the dollar depreciated, you think we would have to pay a little more?

Mr. BECK. Yes. The broker charges enough to make sure that he will not lose, and this charge will be more than the commercial difference at the time and hour. With the commerce we have that would amount to many millions.

Mr. WALKER. The broker upon all the commodities he handles charges under those circumstances say one-half per cent. or one per cent., and is it not a fact that whoever says that, from the time it is imported or manufactured, it aggregates several cents per dollar on everything bought and sold in the country, taking into consideration that the retailer has to get more than a legitimate profit to protect himself?

Mr. BECK. An excessive commission will be charged on what the broker might call insurance. The producer does not make anything, but the broker always charges all he can get.

Mr. WALKER. Is he not compelled to charge more to be insured.

Mr. BECK. He says he is. I do not know whether really he is or not.

LEGISLATION AND COINAGE VALUES.

Mr. WALKER. I want to ask you whether a few dollars more or less of coin per capita in one country, or paper and coin per capita combined, is a controlling factor in fixing prices of commodities, and I want to call your attention to the fact that between 1873 and 1890 the money increased per capita \$4.19 actually in circulation, making an excess in money of various kinds in actual circulation in 1890 over what it would have been if the per capita were the same as in 1873, of \$272,350,000, and yet if prices have not been constantly going down, and what connection has that with prices?

Mr. BECK. The power of the Congress of the United States is simply to coin money and regulate the value thereof and it has nothing to do with the making of the volume. The worst thing is that there has been in this country a crowd of politicians and a party of creditors and a party of debtors, bulls, and bears running to Congress to ask that more money be made or less money be made, and it should not be in the power of any political party to enlarge or narrow the volume of money,

but that should be left to natural commercial forces and wants and needs.

Mr. BARTINE. How is it left to natural forces, if a limitation is placed on one of the productions?

Mr. BECK. Congress must regulate the value in some way.

Mr. BARTINE. That is interfering, is it not?

Mr. BECK. I do not say Congress should not interfere; I say not regulate the volume. If Congress determines to-day that gold shall be the only legal tender in the United States and we have free coinage of gold, natural forces will conform the volume to what will be required. If Congress determines that silver alone shall be the standard in the United States, then it will be for the people to say if free coinage prevails how large the volume of silver money shall be.

Mr. BARTINE. But suppose Congress, acting on that line, determines that both should be money, and leaves both sides to act freely, is not that as natural as to restrict the coinage to one?

Mr. BECK. If Congress can ascertain how many ounces of the one article are equal to one of the other that would be a very good thing. But I do not believe they are wise enough. I know that the world's commerce is the best guide, and I should rather take the value that the commercial world establishes than to follow any action that Congress takes.

Mr. BARTINE. In speaking about the metals of the world, do not you recognize the fact that the use of a metal as money has some effect upon the price?

Mr. BECK. Yes, sir; of course I do.

Mr. BARTINE. Even if national laws undertake to regulate these things; even if a government undertakes to regulate these things?

Mr. BECK. They have for years kept silver in use in France; in England also, and to some extent in the Latin Union, and this use assists in upholding the price.

Mr. BARTINE. Do you claim the action of the Latin Union in France prior to 1873 in maintaining it at a standard was unwise or injurious?

Mr. BECK. The double standard that has existed in France has been maintained by maintaining the exchangeability of their gold and silver coins, and by the cessation of silver coinage.

Mr. BARTINE. I ask you if you think that is national or natural law?

Mr. BECK. Yes, sir; I do. I presume if they had not abandoned the coining of silver this exchangeability would have ceased.

Mr. BARTINE. Did they have to abandon silver in 1873?

Mr. BECK. Yes; about that time they were compelled to cease the free coinage of silver.

Mr. BARTINE. And you think now they are leaving these things entirely to natural causes?

Mr. BECK. They have now entirely ceased the coinage of silver. The volume of money should be determined by what commerce wants and needs and not by what legislatures may determine to be necessary.

Mr. BARTINE. Is not the whole system of legal-tender money a creation of law?

Mr. BECK. If you mean that the determination of the volume is entirely owing to political enactment, I should say no.

Mr. BARTINE. I am not talking anything about the volume.

Mr. BECK. That is the impression I got. How the volume shall be determined is a material part of any system.

Mr. BARTINE. I am not saying or intimating that the Government or any government should undertake to say just how much money per

capita there should be, but I ask you if the Government of the United States says that 25.8 grains of standard gold shall constitute a dollar and 412½ grains of standard silver shall also constitute a dollar, if that does not come fairly within the purview of legislative powers and legislative duties, and if it is a violation of any natural principle that you know anything about?

Mr. BECK. I think it does come fairly within the purview of the constitutional power of the Government, and I think it would likewise be fairly within the purview of the constitutional power of the Government to say 1 ounce of silver when coined is equal to 1 ounce of gold when coined. It has the power to regulate the ratio of those two metals. There is nothing to-day that requires the people of the United States through Congress to hold to the existing ratio. We can as well make it larger or smaller.

Mr. BARTINE. I concede that.

Mr. BECK. It is within their legal authority to do it.

Mr. BARTINE. I concede that. They can remonetize silver at 20 to 1.

Mr. BECK. If they make a wrong ratio——

Mr. BARTINE. The one point of ratio is to get it as near the actual value of the two metals as they could?

Mr. BECK. Yes, sir.

Mr. WALKER. If they make a wrong ratio the commerce of the world will not submit to it?

Mr. BECK. Yes, sir; commerce will not submit to it.

Mr. BARTINE. Has there ever been a wrong ratio except when one ratio conflicted with the ratio of some other country?

Mr. BECK. I think that is enough.

Mr. BARTINE. Is it not the fact?

Mr. BECK. It is.

Mr. BARTINE. It is law on both sides, is it not? The whole matter of ratio is law; for instance——

Mr. BECK. The whole matter of ratio, so far as the coin is concerned, is law, but the best legal ratio is the one that agrees the most closely with the commercial ratio.

EXCHANGEABILITY ESSENTIAL TO DOUBLE STANDARD.

Mr. BARTINE. I want to ask this question. Prior to 1873 we had a ratio of 16 to 1, and we did not get much silver coined into dollars at that ratio. There was a vast amount coined in Europe at a ratio of 15½ to 1. You understand and claim it was this ratio that took our silver abroad. Now, I ask you if it was not law on both sides; was it not law that put the ratio at 15½ to 1 in France?

Mr. BECK. It was law that created that ratio in France. I could take my silver abroad; you could take your coined silver abroad, and it brought more money abroad, not because of the stamp upon it but because melted down into bullion it would bring more money abroad than it would here, and that is the reason it went abroad. Take the Mexican dollar, they overvalue it; I can melt them down or keep them in coin, but in both shapes they are exported at their bullion value. The stamp on them does not prevent exportation.

Mr. BARTINE. Why was it, when you took your bullion abroad and melted it down—took your coin abroad and melted it down into bullion—that it would buy more there, or the fact that it was coinable at a ratio of 15½ to 1, while here it was only coinable at 16 to 1?

Mr. BECK. Because France was then willing to give 1 ounce of gold for $15\frac{1}{2}$ ounces of silver. That is the reason.

Mr. BARTINE. It was purely a matter of law.

Mr. BECK. And the maintenance by these people of this exchangeability has ceased with the increased production of the world, and they have ceased buying silver at this rate.

Mr. BARTINE. This has a sort of bimetallic exchangeability, of course.

Mr. BECK. I think that the exchangeability of the two metals at some ratio is the fundamental principle, and I do not understand why the men who advocate the free coinage of silver are not willing to put into their proposed enactment a provision something like this, that the holder of gold coin can at any time at his option receive from the Treasury silver coin of a like amount, and that the holder of silver coin can at any time receive from the Secretary of the Treasury a like number of gold dollars at his option. If you want to maintain bimetallism, give it that effect; so that if I give my note to a man, if I borrow a thousand dollars from him payable in gold, do not let me be injured by having gold at a premium; nor, on the other hand, if I hold the bond of some railroad or other corporation for a thousand dollars and silver should go down and gold go up, enable that railroad or corporation to get rid of a part of the debt by paying me in depreciated money. Let the Government of the United States stand in the breach and bear this loss. The United States, which makes these coins, should maintain the parity of the two metals at their legal ratio.

Mr. BARTINE. I concede parity more or less ought to be maintained, but as I understand your proposition now it is this, if we have two money metals both of which are legal tender, that the person to receive the money may demand whatever he pleases; that is in direct contravention to the principle of legal tender. That option to be in the person who has the payment to make.

Mr. BECK. Why?

Mr. BARTINE. Otherwise you violate the principle of legal tender.

Mr. BECK. I do not see why.

Mr. BARTINE. The very term of legal tender means there must be a tender, not that there can be a demand.

COIN DEMANDED BECAUSE OF DISTRUST.

Mr. BECK. I think I heard a remark of General Warner the other day that what we need is stability. I presume any man will agree to that. I, like every other citizen, am very anxious to have some system devised by which we can have this stability in money. If we can have stability in money, either with silver or gold, I would like to have it. At the present time there is a terrible instability, and all men know it. I am about to go into an enterprise in the West. I can borrow money upon securities, interest is low, but I can not afford to have my securities which I have put up as collateral struck down by a financial cyclone.

Mr. WALKER. You say there is an instability; what do you mean by that?

Mr. BECK. I mean that no man knows what is coming.

Mr. BARTINE. You mean so far as affected by legislation here?

Mr. BECK. I mean the variation between the legal and commercial ratios of gold and silver and the distrust in regard to the question of free coinage. Now, I can see that a much larger market for a metallic money can be made by creating a distrust. When you destroy credit you increase the demand for metallic money. If you keep that up continually you must have more metallic money.

Mr. BARTINE. I perfectly agree with you it is proper to settle this question, and to settle it soon.

Mr. BECK. Now I am afraid to borrow the money I need, and I must get it by selling something I have, which I do not wish to do because prices are depressed. I do not want to borrow on securities fearing that when any disaster comes they will bring probably 15 or 20 per cent. less on the dollar.

Mr. BARTINE. Whether the method of free coinage may be right or wrong we ought to have a settlement of this question. We may be all wrong, of course.

Mr. BECK. What I wanted to say is, I believe as a silver miner that the present law which withdraws from the markets 54 millions ounces a year of silver is better than the free coinage of silver, which leaves it on the market. I have not the least doubt of that.

Mr. BARTINE. You think under free coinage it is all on the market?

Mr. BECK. Yes, sir.

Mr. TRACEY. That it would not necessarily bring any better price?

Mr. BECK. It will bring the bullion price, and no more.

Mr. TRACEY. Are you engaged in the smelting business?

Mr. BECK. No; I wish I was. I thought the other day, when we received returns from a shipment of ore, that it was better to own a smelter than to own a mine.

Mr. WALKER. Is not the coined money used per capita in any country the measure of the distrust of man by man in that country?

Mr. BECK. I should think that the increase of metallic money in a country where normal conditions prevail, and when the credits of that country at the same time are decreasing is a retrograde movement, and an evidence of distrust. In the report of the Royal Commission, Mr. Salter, I think, a banker in London, says in the payments and receipts by his bank (payments of a million pounds and receipts of a million pounds, in the year 1856) he found that less than 2 per cent. of the payments and of the receipts had been in money, and I think he includes some Bank of England notes which were credit money. Of course you are familiar with the report made by the Comptroller of the Currency recently, based on reports from a vast number of national banks showing that but $7\frac{1}{2}$ per cent. of their receipts and payments were made in money, while $92\frac{1}{2}$ per cent. were made with credits. I think it is this vast expansion of credit that has depreciated the price of both silver and gold, especially silver.

Mr. BARTINE. Do you think if a man needs a thousand dollars for a special purpose it is better for him to go to a bank and borrow it than to have the money himself?

Mr. BECK. I think so; when I borrow money I generally do so on demand, so I will not need to pay interest beyond the day I need it.

Mr. BARTINE. But if you had it you would not have to pay any interest at all.

Mr. BECK. That is true. But if I have a thousand dollars I can buy a bond or lend the money, and it will bring me 6 per cent. per annum. During the year should I need a thousand dollars, I can take my security and borrow for the short time I need it, say 2 months, and pay interest for that time only, so that when I count up at the end of the year I find I have paid 6 per cent. for 12 months, and that I have paid 6 per cent. for 2 months, so that it is better for me to let the banker furnish the money than to keep it myself. One thing that makes a larger per capita of circulation is the fact that so many men distrust banks and bankers

CREDIT OF FRANCE AND ENGLAND.

Mr. BARTINE. Have you heard of any bad effect it has had upon the situation in France?

Mr. BECK. Yes, a much larger amount of capital is in the shape of metallic money in France than in England. My observation of France and England is that England is immeasurably ahead of France. I do not think a man needs to be long in London or Paris or in the two countries to see this. The French and Germans are just as able people as the English, but I know that England is immeasurably ahead of them.

Mr. BARTINE. Do you think England would have paid an indemnity of a thousand million dollars to Germany with as little strain upon its financial system as France did?

Mr. BECK. I think so; France borrowed the money. I think the capacity of England to borrow money is a great deal better than France; the French 3 per cent. rentes are about 90, and the English $2\frac{3}{4}$ per cent. consols are about par.

Mr. WILLCOX. From whom did France borrow the money?

Mr. BECK. I think most of the money was borrowed from her own people. I think you had a statement by Mr. Warner, of New York, about how that French indemnity was paid.

Mr. BARTINE. I think it was Mr. Cook, of Philadelphia.

Mr. BECK. These French peasants are the most saving people on earth. They drink a little sour wine and eat a little cheese and a little black bread, wear poor clothing, wooden shoes, work hard, and save all they can. If our people lived that way we would be the richest people on earth in a few years; rich beyond compare.

Mr. BARTINE. There is no difference of opinion on that subject.

COINAGE RATIOS AND FLOW OF SILVER.

Mr. WALKER. It is perfectly clear that the demand of the European Governments for silver for coinage increased the market value of silver in Europe.

Mr. BECK. I should think it was.

Mr. WALKER. There is no doubt about that.

Mr. BECK. The more uses you have for silver the better the price.

Mr. WALKER. Then one of the factors that went largely to make up the increased price of silver in Europe was the factor that our Government was taking it and coining it?

Mr. BECK. I should say so.

Mr. WALKER. Then when you said a moment ago that when our silver went to Europe because our ratio of coinage was 16 to 1 of gold and the coinage of France was $15\frac{1}{2}$ to 1 of gold, because of the coinage laws of Europe, you mean the coinage laws increased the demand so that the price was higher.

Mr. BECK. There was no demand here for silver for coinage, because we used the cheaper greenbacks, and the commercial value of silver in Europe was higher than here. The commercial value may have been affected by the coin value, but the commercial value of silver was higher.

Mr. BARTINE. I would suggest that the commercial value at that very time was the same here as there, less the cost of transportation.

Mr. WALKER. Are you speaking of coin here?

Mr. BARTINE. I speak now of the bullion value.

Mr. WALKER. The bullion value here was 16 to 1 and the bullion value there was $15\frac{1}{2}$ to 1, and therefore ours all went there.

Mr. BECK. No; I should say, Mr. Bartine, the commercial value was higher there because it cost something to transport it.

Mr. BARTINE. I say less the cost of transportation.

Mr. BECK. But I would know that I could always find a market with the Government which would give me 1 ounce of gold for 15½ ounces of silver. My Government would only give me 1 ounce of gold for 16 ounces of silver, so that had there been no other influences at work, naturally silver would go there.

Mr. BARTINE. Under that state of facts, in the city of New York the bullion value would be the same in France, less the cost of getting it to France.

Mr. BECK. Had there been no coinage demand at all?

Mr. BARTINE. With the coinage demand just as it was?

Mr. BECK. I do not exactly understand your question.

Mr. BARTINE. By sending that bullion from New York to Paris, you would have to pay the expenses of sending it there.

Mr. BECK. Yes, sir.

Mr. BARTINE. Then less that expense, the value in New York would be the same value as it was in France.

Mr. BECK. Commercially speaking.

Mr. WALKER. What is true of silver is true of everything else.

Mr. BECK. Yes, sir.

Mr. WALKER. If that is so would it not bring silver here to have our coinage ratio and the commercial ratio 20 per cent. below its converted gold price; would not there be 16 per cent. to induce everybody to send silver here from Europe over the time when there was only 4 per cent. to induce people to send silver here from Europe, as it was previous to 1834.

Mr. BECK. Undoubtedly, if we allow free coinage of all silver and we maintain the exchangeability.

Mr. WALKER. And gold did not go to a premium.

Mr. BECK. And we maintained the exchangeability.

Mr. WALKER. At the market price of silver do not workmen receive more weight of silver for each day's work than in 1860. Please examine this table?

Wages in 1860 and 1885 in current money and in grains of fine silver.

Workmen.	Wages in 1860.	Wages in 1885.	Wages in grains of fine silver in—		Percent- age of in- crease of wages in grains of fine silver, since 1860.	Wages in grains of silver re- ceivable under Sen- ate bill.
			1860.	1885.		
Dyers	\$0.62	\$1.00	255.7	515.6	101.6	412.5
Giggers	.62	.82	255.7	422.8	65.3	338.2
Shearers	.69	1.00	284.6	515.6	82.0	412.5
Plain weavers	.65	.85	268.1	438.2	63.4	350.6
Spinners	1.10	1.26	453.7	649.6	43.1	519.7
Leather factory beam and yard hands	1.20	1.67	495.0	861.1	74.0	688.9
Leather factory, whiteners and skivers	1.83	2.75	754.9	1,418.2	87.8	1,139.9
Common laborers	1.00	1.50	412.5	772.4	87.4	618.7
Blacksmiths	1.50	2.00	618.7	1,031.2	66.6	825.0
Blacksmiths' strikers	1.00	1.50	412.5	773.4	87.4	618.7
Carpenters	1.67	2.00	688.9	1,031.2	52.5	825.0
Machinists	1.75	2.25	721.9	1,160.0	70.3	928.1
Locomotive engineers	2.40	3.20	990.0	1,650.0	66.6	1,320.0
Locomotive firemen	1.20	1.75	495.0	902.4	82.3	721.9

Average increase of wages received in ounces of fine silver over ounces received in 1860 is 63 per cent.

A. I think the table correct.

Mr. CHAIRMAN. I now move that we adjourn until 11 o'clock to-morrow.

STATEMENT OF MR. PIERRE HUMBERT, JR., OF BOSTON.

The CHAIRMAN. Please give us your name, occupation, and residence.

Mr. HUMBERT. My name is Pierre Humbert, jr.; my occupation is that of an engineer, and I reside at 130 Dartmouth street, Boston.

QUALITY AND QUANTITY OF MONEY.

Mr. Chairman and gentlemen of the committee, I come from a meeting held at Faneuil Hall to address you in favor of the white metal with the view of restoring it as a money alongside of gold by the passage or by the recommendation of the present bill pending before you. I need not state that our views in regard to this matter are the result of a study of the subject coming from the working and other classes of our population which do not seem to be in total accord with the bankers. The money of a country, as we understand it, should be sufficient and stable. In other words, the money of a country should not only have quality but quantity. A great many bankers hold that quality in money is almost separable from quantity; it is always quality that they refer to; quality now, quality to-morrow, and quality as long as they discuss the subject. Quantity, gentlemen, is just as closely linked to quality in my opinion as it is possible to link anything together in the world. You can not have a quality without its measuring quantity. Business from our standpoint will accommodate itself, we believe, to the amount of money at the place where the business is transacted available for clearing the business.

In the absence of that money the business must be done in the shape of a pure barter, which means a terrible contraction of the volume of the business capable of being transacted in a given time. We believe, gentlemen, that the quality of money, if that is its only essence, can be far better, far more satisfactorily obtained from the metal platinum than it can from the metal gold. Platinum is a metal far harder than gold. It will not abrase like gold in consequence of its hardness; it will retain the imprint set upon it by any government far better than any gold ever struck into money by any government on the face of the globe. Platinum is produced in such small quantities that quality would be its principal essence, and if we must move towards quality, and quality alone, as bankers say, take platinum and you will have it.

Now as to gold; is its quantity sufficient to do the legitimate business which presents itself at this time? Mr. Chairmain, I distinctly state, and I try to represent the views of the people who sent me here from Faneuil Hall, that that metal is not produced in sufficient quantities to do the business, the legitimate business, of this country, and I will try to prove it. England is the only country, as you all know, which uses gold almost alone, for she has only subsidiary silver coin in circulation to the extent of, say, 20,000,000 pounds sterling, in silver, or in round figures \$100,000,000, to assist the work of gold. Therefore that nation, with a population of approximately 32,000,000 of inhabitants, is the only nation on the face of the globe that desires to come to the single standard. Gentlemen, France does not do it, Germany attempted to do it and failed, and in the words of her statesman, Bismarck—for though he lies low he represents to-day the same interests that stood up for gold in 1871 and forced the French nation to pay in gold, or in gold's equivalent, \$1,000,000,000 in war indemnity—that man has stated, if I have heard rightly through the press, that the gold blanket was so small and that

each nation was tugging at its end until the strain had become such that the blanket could not fail to rend in pieces and this condition already exists when all the nations now using the gold standard whether assisted by silver or not form only one-tenth of the world's population.

Now, what are my facts, let me state to you, that as you all probably know, the royal commission was instituted in England as a result of the inability to ascertain the causes under a previous commission on the depression of trade for the continued stagnation of the trade of England.

ROYAL COMMISSION ON SILVER.

The royal commission investigated the status of the two metals. I understand this commission as originally composed when it started in its work in 1876 had 12 members, of whom 2, I believe, represented bi-metallic views. The other 10 were gold men. Some of these 10 men were absolutely turned, leaving 6 gold men only on the commission, and the 2 so-called silver men, originally in the minority, had increased their numbers by 4 converts, making 6 in all, who, after the closest investigation of the two metals that has probably ever been made, with the exception of the report of 1876 of Senator Jones's committee, reported their conclusions; and I hold in my hand a copy of that report. As I understand the report, all 12 agreed on a short presentation of facts. Six of them remained constant gold men, and 6 reported in favor of bimetallism; and if I be allowed I will read what I think the essence of their reports were.

Mr. BARTINE. Do you refer to that portion signed by the whole twelve?

Mr. HUMBERT. No, sir; the portion of the report signed by the whole twelve, as I understand, is a well known quantity. They all agree that a deterioration of prices had taken place; they all agreed it would be valuable, if it were possible, to restore bimetallism, but they would go no further together.

Mr. BARTINE. Are you going to read from the portion of the report which was signed by these 6 gold men?

Mr. HUMBERT. Yes, sir; I will give their ideas first, and then, if you will allow me, I will give the others. They give a number of grounds for their belief in gold, and then they go on to say (I will put the book in evidence if it is desired, so that any of you may read):

But if, on other grounds, the adoption of bimetallism were deemed expedient, we would not regard this as a fatal objection, or as counterbalancing the advantages to be obtained from it. (Thus 6 gold men admit the advantages to be gained from bimetallism.)

There are other reasons against this adoption (by England) deserving of far more serious consideration.

It is alleged that the *position of England as the financial center of the world* depends greatly upon the fact that she has, and has for a long time enjoyed, a gold standard. This is no doubt strenuously controverted, and it is asserted by other authorities that the financial position of England is in no way bound up with the circumstance that she is monometallic, and that her standard is a gold one.

We need hardly dwell upon the fact that the *financial position* which this country occupies is a *matter of immense importance*; that the risk even of interfering with it, or taking any course which would reasonably be expected to effect it, is not to be lightly encountered; and even those who do not entertain grave apprehensions of a disturbance of existing financial conditions, if we were to depart from monometallism

and accept the bimetallic standard, can not dispute the fact that the existence of such apprehension is not to be treated as a trivial circumstance or one to be lightly regarded.

The danger—and I am perfectly fair, for I am reading everything—the danger may be enhanced by the circumstance that the mere fact of one change having been made would lead to the apprehension that others might follow. I still quote from the report of the English royal commission.

Now what do these gentlemen advise? To be consistent they should have stood upon the standard of gold alone; but these gentlemen were not consistent. They turned right around in a following page of this book and they advised the issuance of the one-pound notes to the people in exchange for the sovereign, the gold sovereign, so as to increase the amount of gold reserve of the Bank of England. Now, on another page they belied the very statement upon which they wished to found their opinion for their only real objection to bimetallism. That is to say, that one change would lead to the apprehension of another, and so unsettle the belief in the unchangeable medium. You gentlemen all know if they made that one change, that the other change must follow. The people with a silver pound in their possession would not stop at the silver pound in exchange for the gold pound for such limits as they might put upon it. Here is what they say:

“We think that the best suggestion in relief of the tension of the existing situation is to be found in the issue of small notes based on silver. These might become the substitute for the half-sovereigns, and if they come into general use they would afford a remedy for those difficulties in relation to that coin to which public attention has been prominently called.” And thus they were willing to deprive the people of the standard money in order to increase the reserves of the bank.

Not so the 6 bimetallicists. These 6 bimetallicists stated frankly and straightforwardly that—

“We are strongly of opinion that both metals must continue to be used as standard money. The results of using them separately and independently since 1873 *have been most unsatisfactory*, and may be *positively disastrous in the future*.”

In view of recent developments this prophecy challenges the admiration of the world and proves the thorough nature of their work.

EXTENT OF FINANCIAL DEPRESSIONS.

Gentlemen, has that disaster occurred? Is there one member of this committee who will state that that disaster has not occurred in two brief years after this report has issued? What was the trouble? What the cause of it? You have heard of the depreciation of prices; you have had some eminent gentlemen come before you and state this depreciation in prices was purely and solely due to the fact that we had learned to make things cheaper; that we had improved machinery; that we had developed our country so superbly that the prices of the main commodities of the world were reduced 33 per cent. in 17 years. I ask the man who states that the advance of civilization, that if the products of power machinery and inventions of that kind are to reduce prices at the rate of 33 per cent. in 17 years (the price, I mean, of the main commodities that we consume) where are we going to stop?

It is only a question, gentlemen, what is to be the outcome of further declines. We are down now to the same basis for these same commodities that brought Europe in 1848 to the very verge of bankruptcy, to

the verge of the most infernal combinations that ever were known. In 1848 the whole of Europe trembled under the present prices existing to-day. Perhaps we are not trembling under these same prices; perhaps Portugal to-day is not in a state of revolution; perhaps Spain is not revolting; perhaps Italy has not thrown down Minister Crispi; perhaps Germany has not taken the man who unified her realm and, forgetting under pressure of necessity his great services, removed him from power; perhaps the Argentine Republic is not in a state of anarchy; perhaps Brazil has not likewise banished the Empire to seek relief in a Republic; nor Chili; perhaps we have not many formidable combinations in contravention of trade and indirect opposition to law here in this country the avowed object of which is to prevent the further decline in prices which have never been known before in the history of this country; and yet we are not quite so badly off as some others; we are not yet in a state of anarchy; we are not near so badly off as England is. Listen: I quote from Bradstreet, which is a paper published certainly not in the interest of the silver men, a contention on the part of Mr. Goschen, the chancellor of the exchequer of Great Britain.

Mr. BARTINE. What is the date of that paper?

Mr. HUMBERT. The date of this paper is Saturday, February 14, 1891. This is the article:

ENGLAND'S GOLD RESERVE INADEQUATE.

Mr. Goschen, the chancellor of the exchequer in Great Britain, is an authority on financial matters whose outgivings deserve and receive attention beyond the limits of his own country. There can be no doubt that he watched with the most intelligent and anxious concern the course of the financial trouble which occurred toward the close of last year, and which nearly resulted in a collapse of the whole financial fabric, and his reflections thereon will be of interest not only in England and the continent but in the United States, for the reason that the crisis itself assumed international proportions. For this reason an address, delivered by him recently at a banquet of the Leeds Chamber of Commerce, in which he discussed the questions of the currency, banking facilities, and the duty of England in regard to its enormous liabilities, will be read with attention by persons interested in financial affairs everywhere.

He said that he doubted whether the country had ever realized the extent of the danger to which the Barings bank crisis exposed it. That crisis was one through which it might have been difficult for the soundest government to pass unhurt. The country owed a debt of gratitude to the Bank of England for its action in helping to tide it over the crisis. There could be no doubt, he said, that that action was the means of saving the constitution. The credit of England was saved, not by the Government, but by the banking class. England happily, by virtue of its position as a banking center of the world, was able to bring from foreign countries the money required. But that very circumstance revealed the fact that gold was wanted in England, which ought to have a stock equal to that of any other country, but whose stock of gold was extremely small in comparison with the stock held by other countries. The Bank of England was capable of holding a great deal of bullion, but it had only £24,000,000 while France had £95,000,000, Germany £40,000,000, and the United States £142,000,000. England had a very small available stock, and the gold reserve was greatly diminishing. While England, however, was low in the scale as regarded the quantity of bullion in reserve, the amount of gold in circulation there was infinitely greater than in any other country, ranging, according to different estimates, from £65,000,000 to £110,000,000.

This led him to consider the question to how great an extent was the gold circulating in the pockets of the people available when a crisis arose. He did not think it very much so. The reserves of the country were inadequate to the necessities of such gigantic liabilities as the country had incurred by the maintenance of its great financial institutions. The great banks of the country were in ordinary times able easily to meet the demands upon them, but in times of crisis they had to go to brokers, the brokers had to get money elsewhere, and finally the burden fell upon the Bank of England. This was, he thought, not for the best interests of the community. In former times the opinion was that the Bank of England was so much greater than others that it would be able to hold its own against any other bank in the world. The position of the Bank of England had, however, changed since

then. He advocated the formation of a "second reserve," of a separate stock of gold, which was to be used only when an emergency might arise.

Speaking of the proposed issue of one pound notes, say to the amount of £20,000,000, which would take the place of sovereigns in the pockets of the people, he said the question arose what would become of the gold displaced. In his opinion, contrary to that of some others, most of it would be exported to other countries, and the gold reserve would be but little strengthened. He was opposed to sacrificing the gold circulation unless it was proposed by that means to create a gold reserve stock for emergency or crisis. In such a case, he pointed out, £20,000,000 at the center was better than £30,000,000 in the pockets of the people, for the reason that it was easier got at.

ENGLISH FINANCIAL METHODS.

In other words, the admission on the part of England finally that she is no longer in the position to be safely trusted as the financial center of the world. Now the gold men have all told us that if the country minted silver that it would dispel gold; that there was some special condition of silver which would drive out, throw away, destroy, and exhaust the quantity of gold in our country and it would go somewhere else. Here is a country (England) on a gold standard alone that dares not issue one pound silver notes for fear that the gold which would come in would be exported, unless those notes be issued upon the sole proposition that the gold fund that would result from those notes shall be hoarded in reserve until a crisis arises for its use. To those straits have they been reduced in England, while the United States has safely coined over \$300,000,000 silver, and during that time accumulate nearly \$600,000,000 gold. You all know, and I need not tell you, where this assistance came from—we, pledged to silver, have drained England of her gold.

What makes the so-called wealth, glory, and grandeur of England under the gold monometallic basis? You all know that her fleets were sent to Egypt, they bombarded the port of Alexandria; her armies crossed the soil of Egypt, butchering on their way the Arabs and Egyptians wherever found in their path, in order to capture the capital of Egypt and form a government which would collect the interest on bonds sold at a heavy discount for the purpose of enabling the sovereign of that country to build himself twelve worthless, showy palaces. And now this same Government, England, in the nineteenth century, which cried against the slavery of the negro in former decades is now applying the lash to collect annually \$20 from each acre of ground that is under cultivation in Egypt.

One other instance. In order to prevent the drain of silver from India to China (China being a great exporter of teas to India), in order to prevent the balance of trade dragging silver out of India to China in payment of that balance of trade, this great and glorious Government of England, this great nation which we look up to—I do not—this great nation that the gold men ask us to copy—and I want to ask whether we can or not—sent her war vessels to open the ports of China to the importation of opium from India, knowing that in so doing she would prevent the balance of trade from drawing silver to China, and that she was inoculating into the Chinese race a custom so foul, so low, so loathsome that not one gentleman on this committee would dare for one minute to support it. It were better that all the opium lands of India were swept from the face of the globe than that one man should gain the habit of smoking opium. These are my sentiments; and these atrocities and many others have furnished the life blood of gold monometallism of the past in England.

But wait; she has succeeded for a few years, but will not for all

years. China proposes to take her hand in the deal. China proposes to be a minter of silver, notwithstanding the opium offset to her balance of trade with India. From the New York Herald of February 16, 1891, I clip the following:

"Silver coining in China. Copper 'cash' likely to give place to a better medium of exchange." I heard a gentleman here state that there were a number of other mediums that could be used in preference to silver; amongst others he stated copper; and here is a nation with a great population, which now declares for the future exactly the opposite of what this gentleman stated; that is to say, that they would like to abandon copper for the purpose of the minting of silver. This is special correspondence of the Herald and is as follows:

SHANGHAI, *December 5, 1890.*

The friends of the silver dollar and the millions who in England are beginning to recognize the enormous issues which depend upon some fixed settlement of the ratio between that metal and gold will be glad to hear that there is a prospect of China in the not remote future playing an important and unlooked for part in the monetization of silver. I am not at all inclined to take a sanguine view of anything that China may do, but there is a very fair prospect of something like a general reform in the currency of the Empire taking place.

From remote antiquity the only medium of exchange in China, as almost every schoolboy knows, has been that horrible numismatic atrocity, the copper cash, which is carried about in strings a yard long fastened together by a bamboo fiber cord through the square holes in their centers. But this year the newly established mint in Canton has commenced to coin dollars and various subsidiary coins, ranging in value from 5 to 50 cents, and the new currency, despite some opposition, is rapidly gaining in favor in the South.

The mint, it will be recollected by some of the readers of the Herald, was established by Chang Chih-Tung, the late viceroy of Kuanh-Tung and Kwangsi, and his successor, Li Han-chang, brother of the viceroy of Chili, is having it carried on with remarkable activity. So well has it succeeded that instructions have been sent from Peking to the viceroy of the next province, Fokien, to commence at once to build a similar mint in Foo-Chow, his capital, and the work has already been started, and the dies, stamps, and milling machinery ordered out from England.

So far the Canton mint has barely coined a million dollars' worth of silver, but the work is now being stimulated by orders from various quarters for large quantities of small coins. The difficulty will be to keep the currency from being debased by the officials in charge of the mint, which is entirely under native control, with the provincial treasurer at its head, but a dispatch has been addressed to him from Peking intimating that any attempt to adulterate the silver used in the coinage will be visited with the most rigorous punishment upon himself and all concerned, and it is to be hoped that this will help to keep the mandarins in charge of the mint within the narrow and rigid path of rectitude, so difficult in China. From small beginnings how often do we see great results, and it would be strange if the final adjustment between the two precious metals was helped by the growth of a rational system of coinage being adopted in China. But it is well known that the two mints in the South are being tried as experiments in reform of the currency system and that if they are successful, they will only be the pioneers of numerous other similar establishments in the various provincial capitals, which would entail a vast quantity of silver being annually coined, for the Chinese use the smaller coins not only in buying and selling, but as buttons and ornaments, either plain, enameled, or gilt with gold.

Now, gentlemen, you all know how England collects her revenues from foreign uncivilized nations. Lately, in the trouble in the Argentine Republic, the French and the English came together for the sole and single purpose of arranging the difficulties in the Argentine Republic. These difficulties were very serious. The securities of that country had been started under English financial leadership on the cedula basis of land paper currency or nothing more or less than the French assignats. These cedulas of the Argentine Republic are now so scattered among the banking institutions and financial money lenders of London that they form a very important part of the credit circulation of London; and it is important to either have these out of the way or furnish some

means by which they might be got out of the way, and the standard of the Argentine Republic restored, the premium on gold brought down to par, which has risen to 260 and is ever climbing, climbing, climbing, and which is never, never, never arrested. The proposition made from the French side to form a syndicate (but which subsequently withdrew from it), was to gradually retire these cédulas in silver. The proposition from the English gentlemen was entirely different. Oh, no, let us fund these cédulas in bonds at a heavy discount said they; let us perpetuate this iniquity until the end of the world if necessary. Let us perpetuate this system of fraud, let us draw our revenue from these fellows, and if we can not do it any differently, our gunboats, our marines, our soldiers will see that the debt is collected.

PERILS FROM GOLD STANDARD.

Now, gentlemen, I ask you in fairness, I ask you openly here, can we resort to the means which England is willing to resort to in order to perpetuate a system on an ever-contracting money basis? I doubt it; I do not think so. I do not think that the East can compel the West, both sections being equal voters in the same country, to accept the lash in order to remain on that gold monometallic basis; I can not believe it. I think the vote of one man will be equivalent to the vote of the other when he comes to cast it; and therefore, gentlemen, for that reason, I do not believe that the English policy can be maintained here.

Now, do we want to maintain that policy; do we want to maintain a policy the object of which alone is the economizing of money to such an extent that there is very little security in the structure? I think not. I think we are seeing it here; and I will name a few little things which may draw your attention to the fact that the gold system now is being driven to the verge of resorting to at least unsafe methods in order to perpetuate itself.

In Massachusetts, as you well know, we have probably the best savings banks system in the world. At least I believe so, and coming from Massachusetts you will perhaps excuse me for stating so. The commissioners have reported to the Massachusetts legislature twice in two successive years that the Massachusetts savings banks could no longer with safety pay 4 per cent. interest on their deposits. Now, gentlemen, the men who control our savings banks are honest. Believe me, I have no word of dishonesty to impute, and I do not believe they would ever do a dishonest act; but I believe that the current is already so strong on them, forcing them to such an economizing and to such a grasping for money that they are willing to continue 4 per cent. interest that the depositors may be coaxed into putting money into the savings banks to serve the credit system. Possibly I am wrong. It may be merely a feather, or a straw to show which way the wind blows. It may not be anything. You gentlemen may consider it perfectly easy or explainable on other grounds. I hesitate to believe, though I have read it in the newspapers, that one savings bank has, notwithstanding that warning, raised the rate to $4\frac{1}{2}$ per cent. I will leave the savings banks here.

We have had money troubles, money stringencies in the financial centers resulting, I believe, not from any overspeculation here. It is usual to say overspeculation does all these things; that there is no other cause but overspeculation. We have suffered a great deal, we are suffering now, and, gentlemen, I do not wish to say it aloud, but I believe we have got to suffer on. Why? Has not the credit super-

structure that is built upon the gold standard alone become so large that we ought to be scared? The man who is toiling with his hands has not raised this superstructure. I come here and speak for him in part; nor is it the workingman who has lost confidence in his ability to turn out his legitimate quantity of work—the quantity he turned out yesterday and the day before. The artisan has not lost confidence. I have not lost confidence as an engineer that I can bridge a stream or build a railroad, or excavate or dig up the street and place a line of pipes to carry gas or water.

I have not lost confidence in that ability. Did not the banking men all come here and tell you they had lost confidence? I asked that question at Faneuil Hall at the meeting of gold men and they refused me an answer. I asked them, what have you lost confidence in, and I ask this committee—I ask the bankers that question, what have they lost confidence in? Have they lost confidence in the good money of the country? No, sir; they have not. It is just as good as it ever was, and better, I believe. Have they lost confidence in the ability of the workman to produce as much work; have they lost confidence in the ability of the men to eat as much; have they lost confidence in the ability of men to wear as much? Then what have they lost confidence in; and if they have not lost confidence in any of these things, what is the matter? The matter is this, gentlemen, that the basis of their credit system is founded largely on bonds and securities of railroads, which debts have been affected by the contracted condition of the money of the country.

Mr. BARTINE. Have they lost confidence in the quantity of money?

Mr. HUMBERT. They have lost confidence in the quantity; the quality is all there the same as it ever was, but the quantity is lacking. And, gentlemen, why is the quantity lacking? I will tell you why. Because under the gold system—and please follow me closely because many gentlemen draw a distinction in intrinsic merits or value in the metals—I will assume with the gold men that gold and silver have peculiarities. Gold is a metal which is found very sparsely distributed by nature, and of the annual quantity extracted from the ground only a very small portion is now available for money purposes to be by international agreement and by governments minted into coin and only one-tenth of the population of the world are users of it in any sense.

Mr. WALKER. Is there any international agreement about the coining of gold; is there any international agreement of nations independently acting?

Mr. HUMBERT. I mean they have all agreed upon about the same standard.

Mr. WALKER. What do you mean to say, that they are all using the same identical standard?

Mr. HUMBERT. Yes, sir; practically.

Mr. BARTINE. You do not mean that they have entered into any treaty?

Mr. HUMBERT. No, sir; no.

Mr. WALKER. That is what we understand by international agreement.

Mr. HUMBERT. Now silver is a much bulkier metal than gold and it is found, I will admit, much more profusely, and it is a metal which exists in much larger quantity, and nine-tenths of the population of the world use this standard alone.

Thereupon the committee adjourned to meet at 9:30 a. m. Friday, February 20, 1891.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES,
Friday, February 20, 1891.

The Committee on Coinage, Weights, and Measures this day met at 9:30 a. m., Hon. Charles P. Wickham in the chair.

STATEMENT OF MR. PIERRE HUMBERT, JR.—(Continued.)

INSUFFICIENT BASIS OF CREDIT.

Mr. HUMBERT. Mr. Chairman and gentlemen of the Coinage Committee: I stopped my remarks yesterday at the discussion of the intrinsic merits, as they might be called, of the two metals. I had described the quality of gold and the quality of silver, and I believe from the very nature of these qualities it is certain that gold is and must be a metal of large transactions, its small bulk and scarcity being essential qualities. It is also equally true that silver will always be the metal of the smaller transactions, its bulk and larger distribution in nature forming qualities preëminent in this respect. Now, gentlemen, to remain upon a gold monometallic basis means simply legislation in favor of a standard to foster large transactions as against a bimetallic standard of large and small transactions. Where are the small transactions? In the country; in the little country banks, and where no banks exist, there you find the small transactions. What do you do by eliminating the metal silver from its function as money when it might be equal with gold? You simply and solely legislate in favor of large transactions. You legislate in favor of large combinations. I ask the gentlemen here present to look at the condition of the financial world to-day. Small industries have nearly been wiped from the face of the globe; small farms have been wrecked and ruined everywhere; only large institutions, such as can reach this metal so supremely valuable to the large men, the bankers, and their credit system, so that those alone are prosperous.

Now, gentlemen, we have heard the talk of the bankers who have presented themselves here, and we have no doubt of their economy of money. We also believe in a legitimate economy of money, but if that economy is to be left to the man who says we shall have but one standard, and that standard shall be gold, then, gentlemen, I say that that man is going beyond the limit of safety, for he will destroy the many to build up the one. I say that the bankers in New York City have cleared through the medium of the clearing house at the rate of one in twenty; I say that the bankers in the city of Boston have cleared at the rate of one in ten; that the bankers in London have cleared at the rate of one in forty. Now, gentlemen, that economy of money means simply this: That whenever there is a panic or a little confidence and \$1 of money is withdrawn from deposit by its owner, \$40 of business in London is swept from the face of the globe; \$20 of business is stopped in New York; \$10 of business is arrested in Boston.

And, further, gentlemen, these financial centers have denuded the country in all gold monometallic countries. Because of the very fact that the country can not clear one in ten and therefore sends the money to the financial center because of greater profit and the population follows money. Now, England may thus denude her farms. Her financial centers are everything, her lands are parks belonging to individuals. What does it matter to them whether the farmer in England is destroyed or swept from the face of the globe. France is a larger coun-

try. The agricultural population of France occupies a territory, however, only the size of Texas, and this territory is very valuable to the French political economist, and is considered in all his economy and, gentlemen, these political economists know full well how to protect the country. They protect the country by preventing too great an economy of money, too great a draft of money to the financial centers, too great a denudation of all money in the country, and they did it by the issue of silver. Silver is the metal which at all times the banker will sort from amongst his bills. You never can prevent him from doing it. He will pay that money to the man who draws a small check; he will send it and pay it to the man who is going to pay his labor in the small country towns; he is going to send that money away from his bank, and that you never can prevent. But to send that money to the country, to send that metal, and to give the banker the right to sort that money from his till and to send that money, which he holds is no money, to the American country, why, gentlemen, the American people will not stand it when they understand it.

I have presented my views upon the economy of money in a way which I believe to be correct. A bank is nothing more or less than a buyer and seller of money. A bank would deal in cockle-shells if that was the money of the country. Banks never have made a money good or bad. The *people* of the country make the money good or bad by taking it as legal tender; and if *they* want silver as legal tender they will take it and use it, and when they take it and use it, at once you will find that the money is legal tender, and all the agreements of the banks will go as naught against the people. That is the condition of money; that is the condition of its economy; that is the position of the banks.

WAGE-WORKERS AND SILVER.

Now, gentlemen, as to the position of the workmen. I may state, as an engineer, that I have come in contact with the development of more countries, and known the industrial conditions of more countries, than possibly any gentleman who has presented himself here before you. I have studied in Germany; I have studied in France and Switzerland; I have lived in England; I have traveled in Italy and over most of the continent of Europe for the purpose of education; I have traveled every foot of ground where a railroad goes in the United States; I have traveled in Mexico, and I have visited South America; I have employed Yankees; I have employed Africans; I have employed Hibernians; I have employed Mexicans, and I have employed Chinamen. Now, I think I speak for the laboring class, as many trust me and my views in matters of moment to them, and I believe I know what they are thinking about in my vicinity.

You have had presidents of savings banks come here and tell you of the average deposit of our workmen in Massachusetts, and that everything made in the shape of a deposit was made by the workingmen. That is not entirely true; largely, I will admit that the deposits in the savings banks belong to the people, belong to a certain extent to the workingmen. Now, these people, gentlemen, do not believe, as the banker does, that the remonetization of the white metal and its replacement alongside of gold by passing an unlimited silver coinage act will in any way depreciate the securities upon which their money has been loaned. These same people, however, are willing to lose the 20 per cent., if need be, which the gentlemen bankers tell them they will have to lose because the banker does not believe in the value of silver. Gen-

tllemen, the workmen are willing to lose that, because they will gain that multiple of one-third of this and every succeeding year in which they are now idle in our country at the rate of \$2 a day, and that amounts to a good deal more than the mere 20 per cent. they may lose on \$345, as the average deposit. And further, they believe that their deposits are not safe as long as the great railroads of this country are not earning enough in freight from a country nearly denuded of money, and is withdrawing his deposit. That is the reason why the laboring man is not afraid of bi-metallism.

In reference to the gold price of labor being greater in 1879 than in 1864 in the United States, many conditions govern which entirely destroy the value of the table shown by Mr. Walker. First, in 1860 we were just emerging from the panic of 1857, and from the State banks' circulation of paper money to the national money; and 1864 was an apex year, it is true, but an apex of mild industrial development and governmental work. In England, under the same gold-standard money system since 1815, however, on page 146 of the Royal Commission, I find that "In an important paper by Mr. Gifford, read before the Statistical Society in 1886, he shows by ample statistics that the rise in money wages of the working classes in the United Kingdom during the last 50 years has been between 50 and 100 per cent., and that this progressive improvement appeared to culminate about 1873, since which time there has been little increase and in some cases a decrease, indicating the presence of some cause of a general kind which has counteracted an economic movement due to other causes which were still in full or increased operation." And this cause we believe to be the demonetization of silver.

The banker is afraid of bimetallism; yes, part of his profits in exchange, part of his control of the money system through the contraction of the credit system will be gone. The farmer is not afraid of the restoration of that metal alongside of gold, because he knows that when the price of silver goes up the price of wheat goes up, and at that time he sells more wheat to England because she then can not afford to buy it in India. That is the reason why. Now I think I have told you why the laboring man is willing to stand the loss which he does not believe will come, and he denies will come, and I deny it too. The bankers have stood here, gentlemen, shaking in their shoes on account of the credit structure they have built out of this economy of money, and they ask you and have plead with you to do nothing, and told you this agitation was causing ruin. Gentlemen, those same bankers made the ruin themselves and this discussion is not hurting them, not one particle. They say that gold will be hoarded. Who hoards gold; does the poor man hoard it? No, sir; the poor man does not hoard gold, the rich man hoards it; the man of millions hoards it if it is hoarded at all. What will he hoard it for, to lose his interest on the money? I never heard a proposition of that kind made by anyone but a lunatic. There is no more reason for the hoarding of gold than there is for my butchering a fellow countryman.

Gentlemen, they say that gold will go to a premium by reason of this hoarding. The bankers tell you that it will be hoarded, and that it will sell at a premium. Pray, to whom will they sell it at a premium? Will England come and buy it of them at a premium when they can go to France and get it at par and 2 per cent. interest on a loan. I rather think not. They may hoard this metal, but they will find it very difficult to do so, and they will stop hoarding it very, very quickly. Suppose that they did try to hoard it; suppose a man did go on the street and

bid a premium on gold, and the United States passed a bimetallic law, where would his premium be; what would he get for it? Nothing. He might bid a premium; if he did he would get all the gold he wanted at a premium thrown at him, and he would find it would buy no more than silver. What would he do with this gold when he had bought it? Could he send that gold, supposing that thing to be possible, to England and buy her securities? No, sir; they are in a worse shape than we are, far worse; and far worse because they have not any silver and declare they dare not mint it now, as I have shown. Their financial position is such that no sane American would send over and buy any of their securities at the present time, and it is not likely to grow better.

If there is no premium to come on gold, if there is no hoarding except that of which these gentlemen come and tell you, what are these gentlemen afraid of? I will tell you. They have built up on this great economy of money in the financial centers an inverted pyramid. That pyramid in London rests upon a needle's point; that pyramid in France rests on a great sound financial basis, and those French gentlemen are not disturbed a particle. Our pyramid rests upon a much smaller basis, comparatively speaking, than France; rests upon a smaller basis even than that of poor Germany, and we are agitated because next to England we are on the worse basis in existence. We have, it is true, a little more money per capita than Germany, but Germany is a country that could be tucked away in a few of our Western States and nobody would know it was there. France is a country which we could lay right down in Texas and it would just about cover that State. France's money is of both metals, as you know. She has enough gold to develop her financial centers, just as much as it is necessary that they should be. She has enough silver to develop her country just as it ought to be, and I will draw you a picture and ask you gentlemen which economy you wish to follow.

There is England with a pyramid built on a needle point, with the country owned by a few of their rich millionaires, and an agricultural population a thing of the past. Industrial slavery rules supreme in England because no man, mark you, can go to the country and earn on the land his bread and butter by the sweat of his brow, as nature provided it should be done. There is no relief to the industrial congestion of England, where you find the greatest per capita pauper population among the Anglo-Saxon race, and they can not relieve it except by grinding out usurious interest, forced from Egyptians under the lash, as I told you yesterday, and the debasement by England of the Chinamen to the use of opium, and forcing the negro of the Congo to imbibe the spirits that will intoxicate him and make a slave of him in all but name, and all this in order that their industrial institution may be kept afloat on the sweat and ruin of the very scum of the world's population. Let us turn our eyes to France, and I think I have traveled through almost every foot of it. In France the artisans can go to the soil when they can not get work in the workshop. He can till the soil and he can raise the products which are necessary for his maintenance. And thus in France the laboring people have got a safety-valve. The industrial institutions can replenish the country, and the country can replenish the institutions of labor as needed. Which, gentlemen of the committee, which of these two pictures do you like best? I have told you England's rural population is as nothing to her financial centers. France could afford to sacrifice every one of the latter and still be fairly well off, but France is a larger country. Her financial centers represent in population a smaller amount; she dare not sacrifice the country,

and her political economists know better than to sacrifice the country for the greed of the financial centers.

Now, gentlemen, our country is far different from either one of these. Our financial centers are as mere spots in an agricultural country. I think every man will admit that. I do not think our policy of development and growth lies in packing our financial centers with a population that swallows greedily every drop of that money as it flows to that financial center, but rather your legislation should draw to the country a flood of farming population. Let us have the man who tills the soil and raises from that soil that which he lives upon, and let him consume the products of his industry. That, gentlemen, is my opinion, and that, gentlemen, is the opinion of the workingmen from our section. These bankers have come here and they have told you we stood alone. I deny it, we do not stand alone. We are not rich and we can not afford to have delegations of millionaires appear before you; but if you think that all the brain and all the sinew is vested in the men who appeared before you in favor of gold, I tell you it is not so. I hold here in my hand a paper (the Boston Globe of February 18, 1891) containing an editorial. That paper, gentlemen, has the largest circulation in New England, and that raises the question which I have put before you, "who is to settle the quantity of money?" This communication I will not trouble you to read, but will enter it here as a part of the record.

WHO ARE TO DECIDE THE AMOUNT.

How comes it that financiers and bankers, who deal wholly in credits and care little or nothing for the currency, are so much better qualified than the people themselves to decide upon the proper volume of the currency? They are chiefly concerned with speculation; the people are bent only on industrial development. It is for the latter, which of course includes the development of traffic as well as of productive industry, that money is needed. And the steady increase of population necessarily requires a steady increase in the amount of money.

But the financial class, guided and controlled by the greedy European creditor combination, believe that the increase of population, the production of wealth, and the development of a great and growing country, instead of needing more money needs less. Such blind fatuity never imposed its impoverishing consequences on any country before. The British Royal Commission itself taunts us with our folly.

The men who cry "80-cent dollars" know well enough, or ought to know, that the ratio of silver to gold in this country is 16 to 1, while in Europe it is but 15½ to 1. The American silver dollar will buy as much in the world's markets as it ever would. The weight of the pure silver dollar is as much to-day as it was in 1792. It was its treacherous demonetization that brought down its accepted value by making it a commodity. Gold became dearer. That means it will buy more, that is, labor and its productions are made cheaper.

Mr. Cleveland admits in his recent letter on this subject that the fears expressed 12, 10, and 7 years ago by the opponents of silver coinage, including himself, as to the driving out of gold from this country have not been justified by experience. Not only is that true, but exactly the opposite thing has happened; with the steady increase of silver currency under the Bland act our stock of gold has also steadily increased. Under the act of July, 1890, the amount of our silver coinage has been still further and largely increased. That act, passed by a Republican Congress and signed by President Harrison, will add \$54,000,000 of silver to the currency every year. And there is not the slightest ground for believing that that large increase of silver coinage will be any more than the constantly growing business of the country will easily absorb without at all threatening our gold reserve.

There is the key that unlocks the mystery of the invariable failure of the gold-standard prophets to predict anything and have it come true—the constant increase of the population, wealth, products, and business of these United States. While the gold-standard prophets keep on emitting their doleful predictions of disaster if any more silver is coined, the American people keep on adding millions to their numbers, and multiplying their business activities in the same proportion, so that they easily employ all the new silver coinage and call for more.

The law of 1890, passed by this Republican Congress and assented to by President Harrison, is in fact free coinage for very nearly the whole product of our American

mines. Yet the gold standard organs are going into daily hysterics over the proposition to admit silver to free coinage, even with a limitation against foreign silver—which is for all practical purposes the existing law. Nor is there the slightest probability that the existing law will be repealed. The people are determined as a whole—with here and there a protest from local centers where the special class interests which are concerned to maintain the gold standard are strongly concentrated—that silver shall come back to its old place, side by side with gold, in the monetary system of this republic. And the people will in the end have their way, no matter how loudly the gold-standard organs may rant and rave and fill the air with new prophecies of ruin, which, like the old ones, will all fail of fulfillment.

GERMAN LOSS THROUGH DEMONETIZATION.

Now, gentlemen, I will try to show you that a correct system of economy of money within certain bounds is certainly very good; within bounds such as it has been utilized, it has undoubtedly proven itself bad.

Now, if you will notice the world has shorter periods of prosperity and longer periods of dullness and decline. The intense economy of money had brought about spasmodic jumps of commerce, which refuses to be bound down by the iron hand of economy, and the result of aggression and repulse is its enforced lethargy. Quantity is lacking; the quality, as I have stated, is there to day just the same as it was yesterday.

With these facts before you, gentlemen, I wish to state or place before your honorable body for consideration one thing, and that is the unlimited and free coinage of silver. I have heard men state here in this chamber that 4,000 millions of silver would be poured down upon us. Who believes it? Germany demonetized her silver, and, forgetting that silver was money and not merchandise, shipped that money to France; and what did she get in return for it? Bills of exchange drawn upon Bleichroeder & Co., bankers, Berlin, and paid in French goods. Germany got merchandise and perishable merchandise in exchange for her money; and you, gentlemen, all know it was the object of that country to demonetize every dollar of silver, with the avowed purpose of crippling France. Germany found, much to her disgust, that, notwithstanding the fact that she had taken \$1,000,000,000 gold out of France in a war indemnity, that she could not put off the silver on her for more money. Now, if it be true that \$4,000,000,000 are to come to this country, where is it to come from? Germany asked to be allowed to remint the remaining silver, because of the loss that was made on the transaction of the amount sold, and Bismarck said of this attempted demonetization of silver—

I left this thing to the bankers and they did not know as much about it as I did.

Germany had the chance of several years at France under unlimited coinage, and several more years under limited coinage, and the price was quite stationary; but even under these conditions Germany lost money and stopped the sales. That did not break down the bimetallic system; but when France, staggering under the load that Germany was intending to put upon her for the purpose of destruction, and having no barren acres to develop and no population to increase, found that the United States, the country which produced at that time one-half the bullion of silver in the world, had actually demonetized silver, it broke her heart, and it broke with it the bimetallic standard, and not until then did silver sell below its former value in terms of gold. Now, if Germany had to stop and admit the failure of demonetization, who is going to try it against us? No one.

Gentlemen, my voice will never be stopped unless it be stopped by

death, or until the iniquity of the demonetization of 1873 is cleaned off the legislative board. I do not like the picture of England's prosperity. I do not wish to follow England's finances, nor do my people wish to follow her, and I will fight for my people as long as one drop of blood remains in my body.

ABILITY OF THE UNITED STATES TO MAINTAIN BIMETALLISM.

Now, as to the ability of this country to resume the unlimited coinage of silver. I do not know where the silver is to come from, in the floods let loose on this committee by the bankers and money-lenders, but if you would travel with me, and I think I am able to judge, as I am an engineer——

Mr. TRACEY. I do not wish to interrupt the gentleman, but I would advise him to be brief as possible, as it is now nearly 10 o'clock.

Mr. HUMBERT. I will be through as soon as I show the ability of the country to resume specie payment.

This country has more valuable but unproductive land than any other single nation; this country has more land that can be made to yield by irrigation to the propagation of crops of enormous value, yielding up its millions and billions of new products to feed the world and enlarge its own population; this country can consume and produce per capita ten times what any other country on the face of the globe can; and, gentlemen, it is for this reason that we can absorb silver, making this the only place where silver can be profitably remonetized. France is blooming like a flower garden from north to south and east and west, and her ability to further absorb is thus contracted. England is only a country of financial centers. I do not wish to follow England's example, but I wish to follow France's as closely as we possibly can. When this, our country, blooms like a flower garden from the Atlantic to the Pacific, and from its northern boundary line to the Gulf of Mexico, then, gentlemen, perhaps you may have enough per capita money.

But consider that France can utilize, without loss of money, \$50 per capita in a country no bigger than Texas, and Germany can retain \$22 per capita. Our circulation could be largely increased, and thus we could absorb at least as much as France per capita, because, owing to our larger territory, we need more per-capita circulation. America can turn out all the labor, all the articles necessary to take care of a very large flood of silver, which, however, I doubt would come here except with time. At any rate, this is the country in which silver must be remonetized; this is the country in which it will be remonetized; and I bring from Faneuil Hall, from under the shade of Bunker Hill, a declaration of independence against the methods of England; against its standard and their results, which I will not follow any longer than I am compelled to.

Gentlemen, with these words I will close my argument.

STATEMENT OF MR. ALONZO WARDALL, OF HURON, S. DAK.,

President of the National Alliance insurance department.

Mr. WARDALL. Mr. Chairman and gentlemen of the committee, I thank you for your invitation, and I will assure you I will be very brief. It will not take an hour that has been so kindly granted me, although possibly some other members of the committee wish to speak. I will state that I only had a few hours' notice, and was only informed last evening that we would have the privilege of appearing before you, so whatever I may lack in coherency you must attribute to that. If there are any questions you wish to ask me after I get through, I will be glad to answer to the best of my ability, but I wish to state to you that I had not the time I would have liked to have prepared a statement.

I presume the invitation to appear before your committee on this question of free coinage of silver is due to the dual position I occupy, as a representative of the Farmers' Alliance and of the Independent or People's party, both of whom demand unequivocally and persistently the free coinage of silver. I thank you for the opportunity, and will be as brief and concise as possible, and will only touch upon a few of the many potent reasons that I might advance were it not that other gentlemen here will doubtless take them up.

EXTENT OF DEMAND FOR FREE COINAGE AND EXPANDED CURRENCY.

First. The demand for free coinage is widespread and determined; all classes and conditions are asking for it in their meetings, through their papers, and at the ballot box.

Most of the men who were elected last November stood upon a platform demanding free coinage of silver, and were elected, not because they belonged to this party or that, but because the people were determined to have an increase in the volume of the circulating medium—and this is one of the methods—albeit by no means adequate to meet the exigencies of the occasion—that we believe will bring it, in a measure, about.

A large increase of currency would add greatly to the industrial activity of the nation, by enhancing values and creating increased demands for the products of labor, and furnishing the means to pay for them. We firmly believe the great industrial stagnation, vacant farms, idle farmers, homeless and worthless tramps, unpaid mortgages, and general, industrial, and financial unrest and disorganization is due to the great and inexcusable contraction of the currency. We believe it to have been a crime greater in its scope and fatal consequences than even the mighty war which preceded it, and so believing, the people are enlisting in companies, battalions, regiments, divisions, and corps in every State of the Union to overthrow the system that while admitting we need more money for the convenient and profitable transaction of our business, yet quibbles over methods and finally does nothing.

The people want it; that should be all the reason their servants, the Congress of these United States, should need. We asked financial relief with millions of tongues; ye heeded not. The people in their wrath and despair passed an overwhelming vote of want of confidence in the administration. It seems to me that a hint of that character would open the eyes of a graven image. Less than a year ago, in this

room, before the Ways and Means Committee of your honorable body, in support of the subtreasury bill, a measure to increase the volume of circulating medium, I made the prediction that a political storm would follow a neglect of our demands. I now warn you that unless a right-about-face movement is executed by Congress on its financial policy, the genial shower of last fall will develop into a deluge in 1892.

The people are in no mood for trifling; financial ruin stares the producers of these United States in the face, and they must and will have relief, and it must come through a reform in our monetary system. No tinkering with the tariff, or threshing the force bill, will suffice. Money and plenty of it, and good money is our demand.

Dianna ye hear the slogan for '92? "Free coinage of silver;" "The sub-treasury bill," and "Loans on land," direct to the people at a low rate of interest.

The car of progress is rolling swiftly on; the men or parties that stand in the way will be pulverized.

All parties agree that we need more currency and admit that free coinage will increase it without injury to any industry, but complain that some speculator or mine owner, will, forsooth, make some money out of it; well, suppose they do. Did Windom hesitate about buying bonds, and advancing interest on them, when Wall street cried aloud for aid? Are not the needy masses as much entitled to consideration as the greedy classes, or that the Government will lose the seignorage on it, to the extent of a few millions. Granted, but does the Government hesitate to condemn and destroy valuable buildings when it needs the room for a new Library or Supreme Court, or the fire department to blow up a building to check the flames that threaten to destroy the city? Who constitute the Government? We, the people! If by losing \$20,000,000 or \$30,000,000 in seignorage, admitting for the sake of argument, it would reach that amount before bullion raised to \$1.29, what of it; would not *we*, the Government make many times \$20,000,000 or \$30,000,000 by the enhanced value of our products and the increase in our wages, brought about by an increase of the volume of currency?

Give us money enough and our products and wages will double in value, and the Government, *i. e.*, the people, will clear hundreds of millions of profits every year. It would fan the fires in our furnaces, erect new factories, open new farms, build new railroads, employ at good wages the millions of idlers who now crowd our cities, unable to secure work. It would break the power of money to oppress; would enable the farmer, the merchant, the city, and the State to pay their honest debts; a thing they never can do under present conditions. It would lessen crime; raise the moral tone; promote temperance; increase the happiness and comfort of the people, and insure national prosperity. Gentlemen, don't haggle over a little matter like this. It will let you down easy. The people want it. Wall street don't. Choose ye which master you will serve.

CONTRACTION AND FAILURES.

I will say in addition to this that I had expected Mr. Dunning to present some figures here and I will ask them to be placed upon the record. (See statement appended.) We claim that the contraction of the currency has caused wide-spread disasters, and as one of the results we have taken the pains to compile a table showing that the decrease in the volume of circulating medium is in the direct ratio as to increase in failures throughout these United States. To illustrate: In 1866, when

our population was but 33,000,000 and the circulation at that time nearly \$2,000,000,000, and a per capita of \$52, we had 623 failures with \$47,000,000 of liabilities. Now it appears when we had \$52 per capita we had only 623 failures. Now we have doubled our population since that time——

Mr. COMSTOCK. When was that that we had \$52 per capita?

Mr. WARDALL. In 1866, at the close of the war.

Mr. COMSTOCK. Where did you get those figures?

Mr. WARDALL. We took them from the report of the Comptroller of the Currency. You will understand it was all the money we had in circulation then; although some bore interest, it was still in circulation. I refer to a great many of the smaller form of bonds which were in circulation at that time, and they drew a small interest.

Mr. COMSTOCK. You call the bonds money?

Mr. WARDALL. The small ones that were in circulation.

Mr. BARTINE. You call anything money that is in circulation and does the work of money.

Mr. WARDALL. Anything that passed as money.

Mr. TRACEY. Do you class checks and drafts as money?

Mr. WARDALL. The United States checks and drafts would be good money.

Mr. TRACEY. But individual checks or drafts that are now used among people, would you look upon them as adding practically to the circulation.

Mr. WARDALL. Not in the sense intended here.

Mr. WALKER. Is it not a fact that the three and seven-tenths, the little notes, were circulated and freely used as currency money?

Mr. WARDALL. Probably not freely, but they circulated.

Mr. WALKER. The official figures of the circulation in 1866 were \$21.97 per capita. These are the official figures which I hold in my hand sent up by the Comptroller of the Currency.

Mr. WARDALL. The figures that we have here are \$1,963,000,000.

Mr. WALKER. In 1866, according to the statement here, the per capita was \$21.97.

Mr. BARTINE. That excludes certain things which are included in your statement.

Mr. WARDALL. Yes, sir; it is altogether what you admit as money.

Mr. WALKER. What the Comptroller admits is anything a bank takes for cash or deposit, and the per capita here is \$21.97.

Mr. WARDALL. I will not go through the entire table; I will submit it, however, but I will take three or four points. In 1878, with an increased population of 48,000,000, we had a very great decrease in the per capita; we had 10,478 failures with \$234,000,000 of liabilities; these are the official figures. In 1889, with 61,000,000 of population, we had the lowest per capita we have ever had, or as low as we have had, and we have had 13,277 failures, with a liability of \$312,000,000, in round numbers. Now, in 25 years, with a constantly decreasing circulation, or at least decreasing very greatly, and as a rule it has been constantly on the decrease—taking into consideration the increase in population and per capita, it had grown steadily from 623 failures in 1866, the next year to 2,000, the next year to 2,700, the next year to 3,500, and from on up until to-day, the last year, there was 13,277 failures, with \$312,000,000 of liabilities.

Mr. COMSTOCK. What document are you reading from?

Mr. WARDALL. It is a quotation from Dunning's work on money. The

name of it is, "The Philosophy of Price." This is an address which was prepared by the national lecturer of the Farmers' Alliance, Ben Terrell.

Mr. COMSTOCK. You see there is a difference there in your statement as to facts and the statement made by the Comptroller of the Currency as to the amount of per capita in circulation at that time, a difference between \$52 per capita and \$21 per capita.

Mr. WARDALL. That is very true. If you notice the report of the Comptroller of the Currency for the last 25 years you will notice each incoming administration makes a different style of report. It does not necessarily follow that the reports do differ when you bring them down ultimately.

Mr. WALKER. But this is a report made by the same man from 1866 up to 1890, so there is no difference in style. The report is made in the same manner, including the same years and the same things each year.

Mr. WARDALL. What does it give for the volume of currency this year?

Mr. WALKER. \$22 or \$23 per capita.

Mr. WARDALL. In other words, he claims that there is two-thirds as much in circulation now as in 1866.

Mr. WALKER. He claims there is more by about \$1 or \$2.

Mr. COMSTOCK. By these figures there is more in circulation now than there was any time since 1865.

Mr. WARDALL. We most emphatically deny that, and there is no business man in the United States who would dare go before the people and attempt—

Mr. COMSTOCK. These are the official reports. What I would like to get at is on what you base that estimate of the amount in circulation, how much paper money and how much coin money. That ought to be furnished, because you see that is an important matter.

Mr. WARDALL. I make the statement on the strength of his figures.

The CHAIRMAN. And these figures are taken from the Comptroller of the Currency's report.

Mr. WARDALL. Certainly, these are made up from the official report.

FREE COINAGE AN INCIDENT TO EXPANSION.

Mr. TRACEY. I understand your people favor the passage of a free coinage bill because they desire to increase the currency, that is all?

Mr. WARDALL. That is all; we consider it a secondary matter.

Mr. TRACEY. If the passage of a free coinage bill proved to have an effect of decreasing the circulation it would be something to regret.

Mr. WARDALL. Well, if the manufacture of more money decreases the currency that would be a reason for it.

Mr. TRACEY. You assume that the passage of a free coinage bill will have the effect to put the price of silver to \$1.29 an ounce throughout the world, I believe.

Mr. WARDALL. Well, that seems to be the opinion that people usually have. The opinion is, if we have free coinage of silver it will increase the output of our mines and we will have more money in circulation. If it does not result in that, we do not want it.

Mr. TRACEY. If there was any other way of increasing the amount of money per capita which you deem valuable, you might submit it, and it might be considered.

Mr. WARDALL. We would be glad to have it increased in any way, so long as it is done.

Mr. WILLIAMS. How would you like the National Bank system extended?

Mr. WARDALL. We have no use for it. We do not want the Government to delegate its powers to the hands of individuals and enable them to rob us.

The CHAIRMAN. If you are going to be robbed you want to be robbed by the Government?

Mr. WARDALL. If we are going to be robbed we want to rob ourselves.

Mr. TRACEY. If the passage of the free coinage bill simply means to increase the price of silver without increasing the circulation, simply to increase the profit to the mine owners instead of the Government, you would not think that was desirable, I suppose? Your view is not to do anything to increase the profit of the mine owners?

Mr. WARDALL. We do not care anything about the mine owners; but we would be glad to have the mines opened and have that industry increased.

Mr. BARTINE. You are willing that the mines shall prosper?

Mr. WARDALL. We would be glad to have them prosper.

Mr. WALKER. Are they not prosperous now?

Mr. WARDALL. Yes, sir. We want the people to get more money. I think the free coinage of silver will help them. The question is, how are they going to do it?

Mr. WILLIAMS. If this is tried, and it be a failure, will you accept the result?

Mr. WARDALL. Certainly.

Mr. WALKER. How much silver would we get under free coinage?

Mr. WARDALL. I do not know.

Mr. WALKER. Is it your opinion that we will get more than we do now?

Mr. WARDALL. If we do not, it will not be an injury.

Mr. VAUX. What is the necessity for free coinage?

Mr. WARDALL. We believe it would give the people more money.

Mr. VAUX. Will it be to the benefit of the people, or to the benefit of the mine owners?

Mr. WARDALL. We believe it will be a benefit to the people by giving them a greater amount of money in circulation. If it benefits the mine owners, well and good.

Mr. VAUX. Then it is your opinion that to increase the output of silver will give the people more money?

Mr. WARDALL. Certainly; if it does not, we do not want it.

Mr. VAUX. How would the people get it? The people must give something for it. Will it increase their labor, and will they buy more money with their labor?

Mr. WARDALL. It seems to me that this money could be gotten out; and at the rate we are appropriating there would be very little difficulty in getting out an unlimited amount.

Mr. VAUX. My experience has been that I have not been able to get money unless I have had some thing to give for it.

Mr. WARDALL. That is right.

Mr. VAUX. You have made the remark that you did not want to be cheated by the people, but you are willing to be cheated by the Government. What have the people got to give for it?

Mr. WARDALL. This is only an entering wedge. We do not propose to stop at the free coinage of silver. We expect to ask that you will coin all the money the people want, provided they can give security for it.

Mr. VAUX. What do you call security?

Mr. WARDALL. My farm in Dakota I call security.

Mr. VAUX. You pay nothing but tax upon that.

Mr. WARDALL. Oh, yes.

Mr. VAUX. You pay no tariff taxes upon it?

Mr. WARDALL. I do not know why the Government should not foreclose on the Union Pacific Railroad or on a Dakota farm.

Mr. VAUX. Then free coinage and plenty of money mean confiscation, and the constitution provides against that.

Mr. WARDALL. If the constitution is in the road, we ought to have it amended.

Mr. WILLIAMS. In connection with the question asked by the gentleman from Pennsylvania (Mr. Vaux), as to how this money would get into circulation otherwise than by increasing the appropriation, I will ask you, if you had free coinage of silver, would not a man bring his silver to the mint and have it coined, and would not that go into circulation without the medium of an appropriation?

Mr. WARDALL. I do not understand that this bill states how it is going into circulation. It simply provides for coining money. I think Congress is capable of providing a proper method.

Mr. WILLIAMS. Under the proposed bill it naturally goes into circulation, and the man takes it away with him.

Mr. WARDALL. That is his own business.

Mr. TRACEY. What difference would there be in that case—whether he took it away or sold it to the Government?

Mr. WARDALL. If he sells it to the Government, and they store it as so much bullion, that does not make any more money. But if it is coined, it does make more money.

Mr. TRACEY. Under this law they make silver certificates for the purpose of buying silver, and the difference between the existing law and the law under free coinage would be that the man who produces the silver would take it away with him in money and there would be more dollars.

Mr. WARDALL. Yes, sir; because the Government would not coin it.

Mr. TRACEY. But the Government would simply pay him in money. The Government represents the people, and if it buys anything cheaper it is to the people's benefit. If it is more, the mine owners and not the people will be benefited.

Mr. WARDALL. That might be true in that case. I will get a full statement of the calculations I have been making of this whole matter and have them published in my testimony.

Mr. COMSTOCK. In doing so please state your authority.

Mr. TRACEY. I would like to call attention to a statement made to the committee by Mr. Trenholm. He was the only gentleman who appeared before the committee against the passage of the bill who said that it would be a special injury to the farmers, and I thought it would be well for you to talk with some of your people, and in your statement give your views upon that subject. I simply want to call your attention to it.

Mr. WARDALL. Do you mean to give our reasons why it would not be injurious to the farmer? To do that, can I have permission to insert it in my remarks?

The CHAIRMAN. Certainly.

DUTY OF GOVERNMENT TO ISSUE MONEY.

Mr. COMSTOCK. I understood you to say that this was simply an entering wedge to the subtreasury plan.

Mr. WARDALL. We put it in in a secondary sense. We believe that the Government only furnishes a small portion of the money that we need and demand. The per cent. per capita ought to be twenty times as much as it is. It is said there are \$22 per capita in circulation, but we know that it is not in circulation. It is locked up in the bank vaults. The Government reports say it is in circulation, but it is not. It is locked up, and it might as well be at the bottom of the sea.

Mr. COMSTOCK. What do you propose?

Mr. WARDALL. We propose the subtreasury plan.

Mr. COMSTOCK. What is the subtreasury plan?

Mr. WARDALL. That the Government shall erect, or shall allow us to erect, what we term warehouses, in which can be placed annually the nonperishable agricultural products, upon which the Government shall loan additional money to the extent of 80 per cent. of their value, we paying all expenses, and returning the money whenever we take the goods out of the warehouse. We are to pay the cost, which we think will be about 1 per cent. This would give us an increase of flexible currency to move the agricultural products.

Mr. WALKER. Your theory is that the more money there is in existence, the better it is for the people?

Mr. WARDALL. Yes, sir. Anybody can borrow money if he will pay enough interest for it. We can get money for 10 per cent.

Mr. TRACEY. Do you not know that you can get all the money you want in New York City at 5 per cent. if the people who own it feel absolutely sure that they can get it back from you?

Mr. WARDALL. We can not get it in Dakota. If I want \$250 it is just as hard to get it as if I wanted \$250,000. You can not get it there on Government bonds sometimes.

Mr. TRACEY. That is from want of proper business arrangement.

Mr. WARDALL. I understand that it is pretty nearly as hard to get it in the State of Washington.

Mr. TRACEY. Another reason has come up in my observation, and I will give you an instance. I knew an Eastern capitalist who had loaned money out in the West. He was the executor of an estate. He loaned the money out there, and found that when he went to wind up the estate they would not pay either interest or principal. He discovered that there was a law in that State which prevented land being sold under a certain valuation. He had either to go there and put more money up to buy the property or abandon his loan. He abandoned his loan and lost a great many thousand dollars. I think the attention of your organization ought to be called to that state of the case, for it seems to me at times it makes more difficulty for them to borrow money.

Mr. WILLIAMS. That may exist in some States, but there are a great many in which it does not exist.

EXTENT OF CONTRACTION.

Mr. WALKER. I understand you to say that the contraction of the currency has caused the great and widespread disaster from which we are now suffering?

Mr. WARDALL. I do.

Mr. WALKER. You are sure of that?

Mr. WARDALL. That is what we believe.

Mr. WALKER. And you are sure of it?

Mr. WARDALL. I think we are; I certainly believe it.

Mr. WALKER. Suppose that it should be proven to you that you really are mistaken, and that the currency had not been contracted, would that shake your faith in the slightest degree in your theory that it is the contraction of the currency which has caused what you call a great and widespread disaster?

Mr. WARDALL. I think it would.

Mr. WALKER. Then, if it should be proven to you, reckoning money on the same basis as it was reckoned in 1866, that there is much more money in circulation now than then, would that shake your faith in your theory that there is not as much?

Mr. WARDALL. If it can be demonstrated that we have as much in circulation per capita as in 1866, I should certainly have to take a back track.

Mr. WALKER. Do you think it is ascertainable?

Mr. WARDALL. We have the figures which are claimed to be official, and I think it is ascertainable.

Mr. WALKER. Whom do you think is the proper person to ascertain that?

Mr. WARDALL. We think we are capable.

Mr. WALKER. Do you think the Comptroller of the Currency would make a statement which is not true?

Mr. WARDALL. We take the report of the Secretary of the Treasury.

Mr. WALKER. What object would the Comptroller of the Currency have in putting out a statement which was not true?

Mr. WARDALL. We think that perhaps one object might be that they are speculators. They put in their reports that there is an enormous surplus of wheat, when there might be an absolute shortage. That is done to control prices.

Mr. WALKER. You think he is allied to the speculator?

Mr. WARDALL. We fear that it may be so. We claim that Wall street controls the administration.

Mr. WALKER. You mean the Comptroller of the Currency?

Mr. WARDALL. Yes, sir.

Mr. WALKER. Do you not think that he is a man competent to compile these statements?

Mr. WARDALL. Yes, if he is fairly honest.

Mr. WALKER. You have said, furthermore, that the free coinage of silver would increase the amount of silver. You mean that it would open up new mines and set the present ones to work more vigorously?

Mr. WARDALL. Yes, sir; I should think it would.

Mr. WALKER. You have no doubt that that would be the effect of the free coinage of silver?

Mr. WARDALL. I suppose it would be. That is what we hope for.

Mr. VAUX. I want to ask you a technical question, but it may not be up to your standard. You have mentioned the Farmers' Alliance several times, and have stated what they are asking for. They are asking for more money, because, you say, they have not money enough to carry on their business. If this be true, will you tell me why it is that this Farmers' Alliance will allow the Congress of the United States to waste the substance of the people in a large degree by immense and extravagant appropriations of the money of the people for almost every purpose, taking it out of their pockets? You agree that these appropriations should not be made in several directions out of your money, and you have taken no steps to stop it; and at the same time you are asking Congress to give you more money, because you have not enough to conduct your business. Can you explain that principle?

Mr. WARDALL. I think I can, and I am quite glad that you have asked the question. That is the very thing which we are rebelling against. We are making war on what we consider extravagance in the laws in the line of buying monkey parks while the people are suffering for the want of money. We propose to have that changed, and if it is not changed we will change Congress.

Mr. VAUX. You have changed some members of it already. Will you be kind enough to say whether or not any member of the House who is in accord with your views has within the last 2 or 3 months arisen in his place and protested against the expenditure of this public money?

Mr. WARDALL. We have very few men representing us in the present Congress. We are going to have more in the next Congress:

Mr. VAUX. Do you think they will represent you any better than these represent you now?

Mr. WARDALL. If they do not, they will not come back. I would like to have you listen to a few remarks from Mr. Simpson.

CREDIT AND CURRENCY.

Mr. WILLIAMS. Does the national banking system enable the farmers to get along with a less volume of money than they could if it were not for those banks? That is, do they take the place of money among the farmers?

Mr. WARDALL. I do not think they do.

Mr. Wardall subsequently submitted to the committee in support of his position the following article prepared by Mr. N. A. Dunning, on the "Philosophy of Price:"

DISASTER FOLLOWING CONTRACTION.

While every demand made by the Alliance is founded upon ultimate truth, the necessity and correctness of the one asking for an increase of currency among the people can be at once demonstrated to the entire satisfaction of all candid thinking individuals. The statistics of the past quarter of a century prove the following propositions beyond a question of doubt:

(1) That the per capita volume of currency has been constantly and materially lessened.

(2) That bankruptcy and failures have rapidly multiplied in consequence.

(3) That the national debt during this period has increased instead of being diminished.

It now remains for me to substantiate the above statements, which I will undertake to do as briefly and plainly as the facts and space will permit. The question of the amount of currency in circulation is one that necessarily involves a resort to certain estimates, which should be fairly and carefully considered. It has recently, however, become a prime factor in partisan politics and financial duplicity, which subjects it to all the misleading statements and false assumptions that usually accompany a discussion of financial propositions under such conditions. The ordinary reader is many times led to mistake high-sounding phrases and uncommon words for good argument, and as a result becomes settled in an opinion without being able to give the shadow of an intelligent reason therefor.

Another mistake is frequently made in always considering the deductions drawn by Government officials from Government statistics as absolutely correct, because the exact reverse has been proven in many instances. If the farmer would apply the same kind of logic when considering the volume of currency that he does to his corn crib or pork barrel, approximately correct conclusions would be easily obtained. If it was desirable to know how much had been fed to the stock or consumed by the family, it would be hardly fair to ascertain what remained in the crib or barrel, and assume that the difference had been used by the stock or family, especially when more or less had been loaned or sold to others. Just so with the Government; it manufactures under fiat of law certain amounts of money, and when asked to give that portion which is circulating among the people it subtracts the amount on hand from the quantity manufactured and declares the difference to be in circulation. The plain fact is either overlooked or ignored that certain stringent laws are on the

statute books which specifically demand that certain other portions of this currency shall be locked up and held as reserves, and consequently not in any sense in circulation; that other portions have been lost, destroyed, sent out of the country or used for other purposes. When proper deductions are made to conform to the law, and reasonable allowances given for other factors which conspire to reduce the amount, the following table with a brief explanation will be found substantially correct:

Circulation per capita.

Year.	Population.	Circulation.	Per capita.	Year.	Population.	Circulation.	Per capita.
1866.....	35,819,281	\$1,863,409,216	\$52.01	1878.....	48,955,306	\$549,540,087	\$11.23
1867.....	36,269,502	1,350,949,218	37.51	1879.....	50,155,783	534,424,248	10.65
1868.....	37,016,949	794,756,112	21.47	1880....	51,660,456	528,524,267	10.23
1869.....	37,779,800	730,705,638	19.34	1881....	52,693,665	610,632,433	11.51
1870.....	38,558,371	691,028,377	18.70	1882....	53,747,538	657,404,084	12.23
1871.....	39,750,073	670,344,147	16.89	1883....	54,812,488	648,205,895	11.82
1872.....	40,978,607	661,641,363	16.14	1884....	55,908,737	591,476,978	10.58
1873.....	42,245,110	652,896,762	15.45	1885....	57,016,911	533,405,001	9.35
1874.....	43,550,756	622,032,773	14.51	1886....	58,157,249	470,574,361	8.08
1875.....	44,896,705	630,427,609	14.04	1887....	59,320,393	423,452,221	7.13
1876.....	46,284,344	620,316,970	13.40	1888....	60,506,800	398,719,212	6.58
1877.....	47,714,829	586,328,074	12.28	1889....	61,717,936	306,999,982	4.97

The above table is corrected to conform to the population given by the recent census. I carefully prepared and published in my book, "The Philosophy of Price," a table from 1866 to 1885. I also made calculations from 1885 to 1889, based upon the increase of the census of 1880, I overestimated the population, as shown by the late census. This gives a small percentage of increase in the per capita amount over previous tables.

These tables will stand the most searching criticism, and their truthfulness can be successfully defended. As a natural and logical result of such rapid per capita contraction of the circulating medium, the following table of business failures is given. While the figures in this statement are appalling, they do not give more than one-half or one-third of the actual number or amount. The real estate mortgage failures, the chattel mortgage failures, and the deed of trust failures are not and can not be given with any degree of accuracy, yet every one knows they are numbered by tens if not hundreds of thousands. Besides these there are the railroad and corporation receivership; the vast amount of compromised indebtedness, and other forms of liquidation which are but different terms for business failures. By comparing this table with the one above it will be seen that the number of failures have kept even pace with the reduction in the volume of currency excepting the years which followed 1873 and 1878. At this last date, the year which immediately preceded specie resumption, all values were nearly eliminated and left no room for further failures for some time.

The failures in the United States from 1865 to 1889 were:

Year.	Number.	Liabilities.	Year.	Number.	Liabilities.
1865.....	520	\$17,625,000	1879.....	6,658	98,149,053
1866.....	632	47,333,000	1880.....	4,735	65,752,000
1867.....	2,780	96,606,000	1881.....	5,582	81,155,932
1868.....	2,608	63,694,000	1882.....	6,738	102,000,000
1869.....	2,799	75,054,000	1883.....	9,181	172,874,172
1870.....	3,551	88,242,000	1884.....	10,968	226,343,427
1871.....	2,915	85,252,000	1885.....	11,211	267,340,264
1872.....	4,069	121,036,000	1886.....	12,292	229,288,238
1873.....	5,183	228,499,000	1887.....	12,042	335,121,888
1874.....	5,830	155,239,000	1888.....	13,348	247,659,956
1875.....	7,740	201,000,000	1889.....	13,277	312,496,742
1876.....	9,092	191,117,000			
1877.....	8,872	190,669,000			
1878.....	10,478	234,483,132	Total.....	161,332	3,919,394,824

This table will not agree with Bradstreets because a certain per cent. is added for failures of a smaller amount than that agency recognizes.

After a careful examination of these tables the question must naturally present itself to every honest man, Was it necessary for 162,000 business men to pass through the horrors of bankruptcy and suffer the torture which always waits upon such conditions, or that \$4,000,000,000 of hard-earned property should be unnaturally and wrongfully transferred because of the power of an inadequate volume of money to

oppress? Has the experiment been a success, and is the nation greater or stronger for having passed through this trying ordeal in order to make United States bonds bear a premium of 25 per cent.? Human nature and honest convictions revolt at the plain facts contained in this statement, and the universal verdict must be that conditions which conspire to bring about such results must be unwise and unjust. While the first table given discloses "the power of money to oppress," the second table furnishes ample proof of its existence.

But there is other and stronger evidence of the destructive forces contained in the first table that can not be disproved. It is as plain as the noonday sun and is found in the increase of the national debt notwithstanding the vast sums that have been paid as principal, interest, and premium. A careful and thorough analysis of the following statement and table is requested of the reader:

The national debt in 1866 amounted to \$2,783,000,000. We have paid on the principal of the public debt \$1,599,665,312, and as interest on same \$2,540,726,049, and a further sum of \$58,540,000 as premiums on bonds purchased, amounting in all to \$4,198,931,361. Yet we find the debt of the nation has actually increased if paid in the labor and products of the people (any person of ordinary intelligence knows it can not be paid in anything else); that is to say, it will take more labor products to pay what we now owe at present prices than it would have taken to pay the entire indebtedness in 1866 at the prices then. As proof of this the table below is given. In regard to its correctness reference is called to any authentic price lists of products for the years named:

Increase of the national debt if paid in farm products.

[Debt in 1866, \$2,783,000,000. Debt in 1890, \$1,183,334,688.]

Products necessary.	Amount, 1866.	Amount, 1890.	Actual increase.
Beef.....barrels..	129,000,000	236,666,937	107,666,937
Pork.....do....	87,000,000	147,916,836	60,916,836
Wheat.....bushels..	1,007,000,000	1,972,222,448	965,222,448
Oats.....do....	3,262,350,000	5,917,773,340	2,755,423,340
Corn.....do....	2,218,000,000	3,944,448,893	1,726,448,893
Cotton.....pounds..	*7,092,000,000	13,148,162,755	6,056,162,755
Wool.....do....	4,281,538,451	4,733,338,752	551,800,301

* Prices in 1867.

This table clearly shows that notwithstanding the national debt has been nearly twice paid in principal and interest, the portion which yet remains is larger than the original. This statement will not hold good when mere dollars and cents are considered, but is absolutely true as regards the amounts of the products of labor that are necessary to purchase these different sums of money. Thus, had the debt been contracted to be paid in wheat it would have taken, in 1866, 1,007,000,000 bushels.

	Bushels.
We have paid on the principal	1,786,460,000
As interest.....	2,823,328,000
As premium on bonds	62,770,000
Total paid	4,652,558,000
We yet owe.....	1,958,389,084

Had the debt been contracted to be paid in cotton it would have taken, in 1867, 7,092,000,000 pounds.

	Pounds.
We have paid on the principal	16,077,683,000
As interest.....	25,407,260,000
As premiums on bonds	565,000,000
Total paid	42,049,943,000
We yet owe.....	11,752,316,000

When it is remembered that all private indebtedness has gone through the same process; that a mortgage which was given prior to 1872, and remains half unpaid, is larger and more burdensome than when first given; that the man who has worked hard and economized closely during all these years to pay one-half or two-thirds of his indebtedness is no better off, and in nearly every case more in debt than when he first began, measured by the remuneration received for his own efforts, is there any

wonder that widespread distress and discontent obtain among the wealth producers of the country?

In order to show that money has become dear and the products of labor cheap during the past 25 years attention is called to the following statement. Two neighbors had each \$1,000 in 1866, which they desired to invest in some kind of speculation. The one bought wheat and stored it, while the other locked up his money and let it remain idle. Each allowed his investment to remain until 1890, when the matter would be about as follows:

1866. Mr. A, cash	\$1,000
Mr. B, wheat	bushels.. 500
1890. Mr. A, with his \$1,000, can buy, at 60 cents per bushel.....	do.... 1,666
Mr. B, with 500 bushels of wheat, can buy only	\$300

These two statements present a subject for consideration well worthy the attention of every American citizen of whatever occupation or profession. Herein lies exposed the canker that has eaten out the vitals of national prosperity and left to the people nothing but the shell of disappointment and discouragement. If idle money can increase so alarmingly in its power over the products of labor what may not money, loaned at ruinous rates of interest, bring about? Something must be done to check this monstrous evil. Something must be done to even up the conditions between those who can command the use of money and those who can not. From this power to levy tribute comes nearly all the differences seen in society at the present time. It is this that is widening and deepening the gulf between Dives and Lazarus, and fills the land with tramps on the one hand and millionaires on the other. It is this that puts the mortgage upon the farm in the North and West and the plantation in the South. It is this that all scripture has condemned and all just men deplored. It is this that organized labor should seek to destroy. In conclusion let me ask, have not the people suffered long enough? Does not the continued distress throughout the length and breadth of the nation call loudly for a change of conditions? Is it not time to apply the remedy? If so, let us one and all work and vote for more money and less taxation.

THE VOLUME OF CURRENCY.

One of the most difficult and at the same time the most important point to determine in a discussion of finance is the amount of currency in circulation. Nearly if not quite all the deductions, theories, and arguments on financial economics are based primarily on the volume of currency. In view of this fact it becomes a matter of absolute necessity for anyone who desires to discuss this question intelligently to first make a thorough investigation in regard to the kind and amount of money. It is for the purpose of assisting such as may desire to investigate this question that I submit this article. To obtain the exact amount of currency in actual existence or in actual circulation is impossible, owing to the uncertainty of knowing just how much has been lost, destroyed, or taken from the country. Hence, the only result possible is an estimate based upon statistics, comparisons, and good business sense. I desire to state at this point that after a careful examination and thorough study of the matter, I consider Government statistics relating to the volume of circulating medium inaccurate and misleading.

The method made use of by the Secretary of the Treasury to ascertain the volume of currency in circulation is to add to the amount of coin that has been minted all the paper money that has been issued, and from this sum subtract the amount held in the Treasury, and assume that the difference is in circulation among the people. The inaccuracy of such a statement is only equaled by its unfairness. Such a document goes from the Treasury Department every month and is quoted throughout the country as authentic. The Treasurer of the United States, in his report for 1889, pages 10 and 11, says:

"The metallic stock of the country, as estimated by the Director of the Mint, and the outstanding issue of paper, as shown by the records of this office on June 30, 1889, were as follows:

Gold coin and bullion	\$680,063,505.00
Silver dollars and bullion.....	343,947,093.00
Fractional silver coin.....	76,601,836.00
Total coin and bullion.....	1,100,612,434.00
State bank notes.....	201,170.00
Old demand notes.....	56,442.00
One and two year notes	62,955.00
Compound interest notes.....	185,750.00

Fractional currency, estimated	\$6, 916, 590. 47
National-bank notes	211, 378, 963. 00
United States notes	346, 681, 016. 00
Certificates of deposit, act of June 8, 1872	17, 195, 000. 00
Gold certificates	154, 048, 552. 00
Silver certificates	262, 629, 746. 00
Total paper currency	999, 356, 284. 47
Aggregate	2, 099, 968, 718. 47

"The following tables show the amounts of the several kinds of currency in the Treasury and in circulation June 30, 1889 :

	In Treasury.	In circulation.
Gold	\$303, 387, 719. 79	\$376, 675, 785. 21
Silver	314, 935, 151. 52	105, 613, 777. 48
Old paper issues	1, 094. 76	7, 421, 912. 71
National bank notes	4, 150, 537. 75	207, 228, 425. 25
United States notes	47, 296, 875. 54	299, 384, 140. 46
Certificates of deposit, act of 1872	240, 000. 00	16, 955, 000. 00
Gold certificates	36, 918, 323. 00	117, 130, 229. 00
Silver certificates	5, 487, 181. 00	257, 142, 565. 00
Total	712, 416, 883. 36	1, 387, 551, 835. 11

This statement of the Director of the Mint is so glaringly unfair and inaccurate that the United States Treasurer is constrained to qualify and explain it. He says, page 11 :

"From the face of the preceding statements it would appear that there was an increase both in the aggregate monetary supply and in the amount held by the people. The certificates of deposit are, however, merely representative of moneys in the Treasury, and to count them with the coin and notes to which they give title would be a duplication. If these be eliminated, and the actual moneys be disposed according to ownership, the result will be as shown below :

June 30, 1889.	Outstanding.	In Treasury.	In circulation.
Gold	580, 063, 505. 00	185, 257, 490. 79	493, 806, 014. 21
Silver	420, 548, 929. 00	57, 797, 586. 22	362, 756, 542. 48
Notes	565, 482, 986. 47	51, 493, 508. 05	530, 989, 478. 42
Total	1, 666, 094, 420. 47	278, 543, 585. 36	1, 387, 551, 835. 11

Here is an authoritative statement of the currency outstanding : not in circulation, remember, but the amount that has been made by the fiat of the Government either at the Mint or at the Bureau of Printing and Engraving. This amount is given at \$1,666,094,420.47 and is the basis of my calculations. The difference between the method adopted by the Secretary of the Treasury to ascertain the amount of currency in circulation and the one I use, is this: He takes the whole amount outstanding, \$1,666,094,420.47 and deducts from it the amount in the United States Treasury, \$278,543,585.36 and assumes that the difference, \$1,387,551,835.11, is in circulation among the people. I shall take the amount given as outstanding, \$1,666,094,420.47 and attempt to locate it, whether in the United States Treasury, as reserves in banks, lost or destroyed, or among the people and used as a circulating medium. In the report of the Director for 1889, page 128, is found a detailed statement of the estimate of gold and silver coin and bullion outstanding, as follows.

	Gold.	Silver.
In United States Treasury	185, 451, 708	57, 458, 901
In national banks	152, 169, 400	23, 734, 469
In other banks reported	46, 911, 553	2, 118, 516
In private banks and among the people	294, 530, 744	337, 237, 043
Total	680, 063, 505	420, 548 929

The United States Treasurer's report, page 10, furnishes this statement of paper currency :

Greenbacks outstanding	\$346,681,016.00
National-bank notes outstanding.....	211,378,963.00
Fractional currency outstanding	6,916,690.47
Compound notes outstanding.....	185,750.00
One and two year notes outstanding.....	62,955.00
Old demand notes outstanding	56,442.00
State bank notes outstanding	201,170.00
Total.....	565,482,986.47

This gives a total outstanding currency of \$1,666,095,420.47.

These tables should be considered carefully, as they contain the Government's estimate of amount and location of the different kinds of currency. While the amount of gold and silver held in the United States Treasury is correct, yet on p. 129 of the same report the Director of the Mint states that \$65,995,145 is in gold and \$10,444,443 in silver bullion. This \$76,439,588 in bullion can no more be called money than so much pork or wheat. It is simply a commodity and nothing else. More than one-half of this amount of silver bullion consists of trade dollars that have been in the Treasury for years, with no law to make it money. Because of these facts stated I shall deduct the \$76,439,588 in gold and silver bullion from the amount given at outstanding currency. The difficulties which surround an attempt to investigate the financial statement of the Treasury is given by the United States Treasurer on p. 5 of his last report. He says:

"In connection with the foregoing it may be not amiss to point out a little more particularly that the business of this office, so far as it relates to the custody of the public moneys, deals with three kinds of funds. First of these are the revenues, which, upon their collection, are covered into the Treasury by warrant and held for disbursement upon appropriations. Second are gold and silver coin and United States notes received in exchange for certificates of deposit. These moneys also are covered by warrant and charged to the Treasurer in general account, the certificates issued being treated as part of the public debt. Lastly come the deposit accounts, consisting of the bank-note redemption funds and moneys set apart from the public funds or received from other sources for specific purposes. They are not covered by warrant, and their amount is an addition to the cash in the Treasury, of which the Treasurer alone takes account. The moneys received from these several sources are thrown together, but gold coin, standard silver dollars, and United States notes equivalent to the respective amounts of certificates outstanding must always be on hand. The method of handling the several funds in the Treasury makes it necessary in the statements of assets and liabilities to include as resources all the items of cash and credit, there being no way of setting apart particular kinds of money against the several classes of liabilities, except in the case of outstanding certificates of deposit, as has already been noticed."

In considering the amount of coin it is proper to state that the original estimate which has been made the basis of all subsequent calculations was made by Director Linderman in 1872. He placed the amount of gold coin in the country on July 1, 1873, at \$135,000,000. Something over \$98,000,000 was shown by official reports to have been in the banks and public treasuries, \$20,000,000 was estimated as being in circulation on the Pacific coast, with an allowance of about \$10,000,000 in banks not reporting. Since this estimate Directors Burchard and Kimball have made three revisions, each of which reduced the amount as shown by statistics. In 1885 Director Kimball deducted \$30,000,000 "as a moderate estimate for the amount of gold consumed in the arts." In 1886 a further reduction of \$15,669,981 was made, and also one of \$4,654,714, in all \$50,324,695. I shall undertake to show the necessity of a still further reduction in order to meet the demands of accuracy or common sense. On page 56 of his report for 1889 on the production of the precious metals, Director Leech says:

"Since that date the official tables presented from year to year have been compiled by adding to the actual stock June 30, 1872, the annual coinage of our mints less the amount of our own coins melted down for recoinage, and the gain (or loss) by import and export of our gold coin, with an annual allowance for melting United States coin for use in the arts and industries. So far as the coinage of the mints is concerned and the amount melted for recoinage, the figures employed are beyond question. How accurate the record at the custom-houses of the movement of our coins, by way of import or export, has been, it is difficult to say, but it is believed that, for recent years at least, the movements of coin have been so carefully recorded

that no error of any considerable magnitude can have crept in. The elements of uncertainty in these official tables have been, first, the actual consumption of coin in the industrial arts, and second, the amount of coin which finds its way out of the country without being recorded."

This uncertainty in regard to the amount of gold in the country is made more apparent by the following statement taken from the report of Director Kimball on the production of gold and silver for 1888, pages 42 and 43. He quotes from the Commercial and Financial Chronicle of February 9, 1889, which he vouches for as being correct:

"In years past we have often insisted that there must be an error in the item, because the most industrious inquiry failed to bring to light a very considerable portion of it. At present there are at least \$275,000,000 of the total that can not be accounted for. Since the New York banks turned their gold into the Treasury and obtained gold certificates for it the Government gross holdings of gold have become large. On January 1, 1888, it held gross \$324,773,667; it had outstanding of gold certificates issued against it \$120,888,448; hence its net holdings were \$203,885,219, as we give them in the above table. Even of these certificates afloat it is impossible to trace more than 76½ millions in all, and of the gold not in the Treasury only about 100 millions can be found. So whichever method the investigator adopts—whether by counting the gross gold in the Treasury, with an estimate for circulation, deducting certificates which are not in bank and in the Treasury, or by taking the course we have pursued—the result reached will be the same. As to the gold in active circulation, whatever there is of it must be in the Pacific States, for in the Eastern, Western, and Southern States not one individual in every hundred receives in ordinary business transactions a gold certificate or a gold coin once in 12 months. Contrast that fact with the other, that on the 1st of January, 1889, there were 60,779,321 silver dollars in circulation in the United States, the remainder of the 307,000,000 being in the form of silver certificates. Of that 60¾ million silver dollars we venture to say that every inhabitant who during the last year has tendered a \$5 bill in payment of some small purchase made has, nine out of ten times, had offered to him one or more in change. Such ubiquity in the case of 60¾ million of silver dollars proves clearly enough that if there was even a little gold coin passing from hand to hand it would be often met with. Still in the following statement, locating the gold in the United States, we have made a very liberal allowance for circulation, so that the reader may be satisfied that the amount hoarded is understated rather than overstated:

In Treasury, gold and bullion, less certificates outstanding	\$203,885,219
In national banks:	
Gold	\$70,825,187
Gold certificates	75,334,420
Gold clearing-house certificates.....	7,399,000
	153,558,607
In the State banks, etc.:	
Gold	27,015,951
Gold certificates	937,710
	27,953,66
In actual circulation, gold and silver certificates	40,000,00
Total in sight and estimated in circulation.....	425,397,487
Total in country.....	704,608,169
Total hoarded January 1, 1889	279,210,682

"In the above it will be seen that we allot \$40,000,000 to circulation, and yet even with that deducted there are still left \$279,210,682 unaccounted for.

"From these facts the conclusion is unavoidable that either there are to-day at least \$275,000,000 in gold hoarded by the people of the United States, or else that the Government mint figures are extremely erroneous."

Here is a frank admission that more than \$279,000,000 of gold coin can not be accounted for. It admits that it is not in the Treasury or the banks, and is not seen in circulation among the people. This statement allows \$40,000,000 in gold as being in circulation outside the banks and among the people, being two-thirds as much as the silver given for the same purpose. Besides this the Director of the Mint acknowledges, on page 128, that the amount given as held by banks other than national, aggregating \$46,911,653, is simply an estimate. In view of all this I deem it justifiable to make a large deduction from the amount of gold estimated as being in circulation.

The amount of silver in the country is estimated at \$333,502,650 in standard dollars and \$76,601,836 in subsidiary coin, or a total of \$410,104,406 in silver coin. The entire amount of silver coinage since the foundation of the Government is:

Silver dollars	\$341,533,888.00
Silver one-half dollars.....	122,622,414.50
Silver one-quarter dollars.....	38,831,202.25
Silver 20-cent pieces.....	271,000.00
Silver dimes	21,704,516.10
Silver one-half dimes.....	4,880,219.40
Silver 3-cent pieces	1,282,087.20
Total.....	531,325,327.45

This does not include the trade dollar coinage, as that has been called in. There has been coined since 1878, \$333,502,649 in standard silver dollars, \$768,925.50 in half dollars, \$1,184,500.75 in quarter dollars, \$271,000 in 20-cent pieces, \$4,959,038.80 in dimes. Total subsidiary coin \$7,183,465.05. Government statistics ask us to believe that every silver dollar coined since 1878 still remains in this country, either in the banks, treasuries or among the people. We are also asked to believe that all the subsidiary coin that has been minted since 1878, and \$68,418,371, a considerable portion of which was coined previous to the war, is still in use as currency. Senator Sherman declares that the entire silver circulation wears out and is renewed once in 30 years. The whole amount of subsidiary coin minted since 1793 is \$189,791,439, and we are asked to believe that over 40 per cent. of this entire amount is still in use in this country. No candid person should be opposed to a reduction from the Government estimates in the light of the figures given above.

The largest amount of legal tenders outstanding at any one time was \$449,338,902 on June 30, 1864. From the date of their first issue, October, 1862, there has been issued and reissued \$2,253,997,808. The act of May 31, 1878, forbade the further destruction of legal tenders. At that time, according to the books of the treasury, \$346,681,016 was outstanding. Since that date the Government has included this whole amount in its statement of the volume of currency. The largest issue of national bank currency was in December, 1873, when it amounted to \$341,320,256. Since 1863, when the system went into operation, there has been \$1,362,353,706 issues and reissues of this currency, and there was outstanding September 30, 1889, \$128,450,600. There is no data upon which to base an estimate of the loss by fire, wreck, flood or other accidents, including the lost and worn out bills. The Government in its statement makes no allowance for such contingencies. It is absurd, however, to contend that there has been no loss in the amount of paper currency on this account.

Some idea may be formed of the loss in such cases by a comparison with the known statistics of the fractional currency. Since 1863, when fractional currency was first issued, there has been issued and reissued \$368,720,079. The largest amount in circulation at any one time was \$45,912,003.34 in 1874. The act of January 14, 1875, provided for their redemption, since which time all of this kind of currency has been redeemed that has been presented. The amount outstanding June 30, 1880, was \$15,589,888.37. By the act of June 21, 1879, Congress declared that \$8,375,934 had been lost or destroyed, and \$7,215,054.37 remained in use among the people. Since that time only \$299,210.40 has been redeemed, and Senator Sherman, in a recent speech, declared that the remaining \$6,915,743.97 is probably lost. Here, then, is the proof that out of the \$46,961,000 fractional currency issued, over \$15,000,000 remains unaccounted for, an absolute loss of 33 per cent. in 16 years.

The question is, what deductions would be proper to make for loss in paper issues. The director of the mint estimates \$202,027,359 legal tenders and \$244,703,508 silver certificates as in circulation outside the treasury and national banks. This shows about 75 cents more per capita of certificates than greenbacks among the people. If any one will take account of the paper currency received in the ordinary course of business he will find \$50 in certificates for every \$1 of legal tender. If this vast amount of greenbacks is circulating among the people, why is it not seen more frequently? Senator Stewart, in his speech on the free coinage of silver, said:

"The greenbacks or Treasury notes have been in circulation for 28 years and were used during the rebellion in the theater of war. A deduction of \$50,000,000 at least ought to be made for loss of greenbacks."

Senators Daniel, Teller, Plumb, and others have declared that proper reductions should be made for such loss. Even Secretary Windom acknowledged before the finance committee that certain amounts should be taken from his statement in order to show the true amount in circulation. In regard to the amount of gold in circulation, Senator Stewart, in a recent speech, said:

"But we are told that there has been a large increase in the volume of circulating medium. The Secretary of the Treasury, in his last report, states that the amount of

money in circulation on March 1, 1879, was \$805,793,807, and on the 1st of October, 1889, the amount of money in circulation was \$1,405,028,000. The increase is made up by estimates. One item of the estimate is \$375,947,715 in gold. How does the Secretary or anybody know that that amount of gold is in circulation? Nobody sees gold except upon the Pacific coast. Where does it circulate? We are informed by statisticians that so much has been in the country, and they suppose it is all here now. They make no allowance for the vast sums that leave the country every year in the pockets of travelers to be spent in Europe, which never returns. It is safe to say that the estimate of the Secretary of the Treasury in regard to this item is at least 200 millions too high. If there is \$375,947,715 of gold in circulation outside of the Treasury, I should like to have somebody tell us where it is and who uses it. It is impossible to arrive at any just conclusion from the estimates of the Secretary of the Treasury. He takes no account of the loss of greenbacks and of the vast amount of money which is taken out of the country, but counts everything that has been in circulation, and all that has been supposed to be in circulation, without deduction. It is safe to say that no man can tell from the statements of the Secretary of the Treasury the condition of the finances of the country or the amount of circulation among the people."

Senator Teller also said in a late speech:

"France having \$45 of gold and silver per capita, according to the statement of the Treasury Department, and we having, according to the same statement, \$22 per capita, which is not a correct statement after all, for we have not that amount."

Others have expressed similar opinions of equally as good authority. In view of all this I shall make a deduction of \$50,000,000 from the paper currency, \$20,000,000 from silver currency, and \$200,000,000 from gold currency, or a total of \$270,000,000.

Let us now consider the amount of currency withheld from circulation by statute law. In the statistical abstract for 1889, page 28, table No. 26, is as follows:

Amount of the cash reserve held by the national banks, also the whole amount required to be held by them.

October 5, 1887, cash held in banks.....	\$245, 026, 709
Amount required to be held.....	278, 035, 273
October 4, 1888, cash held in banks.....	268, 152, 277
Amount required to be held.....	311, 959, 161
September 30, 1889, cash held in banks.....	264, 023, 542
Amount required to be held.....	333, 111, 465

As this table comes from the Treasury Department it should be satisfactory to them at least. And I will therefore deduct \$333,111,465 from the currency outstanding as being held in reserve according to law, and as such out of circulation. The laws governing this reserve may be found in the national banking act, which requires in the larger cities 25 per cent. and in smaller towns 15 per cent. of the deposits held as a reserve fund.

The returns from 1,671 State banks, 1,324 private banks, and 969 savings banks and trust companies, Comptroller's Report, page 80, give \$2,334,272,433 in deposits. The laws governing such institutions differ with different States. Some require more reserve than others, the range being from 10 to 25 per cent. of deposits. An estimate of 10 per cent., therefore, would be very conservative, and give \$233,427,242 as a reserve fund.

The amount held by the 3,647 banks not reporting can only be estimated. Placing it at \$10,000 each, it gives \$36,470,000, which is a very low estimate. This makes a total of \$603,008,707. It has been urged that these reserves are really in circulation; that no distinction is made in the moneys paid out, and that they are part of the assets of the banks. The last two propositions are doubtless true, but the law demands that a certain per cent. of the moneys deposited shall be held as a reserve, and the banks that do not conform to this law violate it at the risk of their charter. When the farmer threshes his wheat he calculates how much he will want for seed and bread for his family; the remainder he can sell. He does not remove the wheat for bread and seed from the general bin, but when he has sold down to that amount he stops selling. Just so with the banks. They keep all their money together, but when they have loaned down to their legal reserve, they stop or continue in violation of law. Senator Plumb places this amount at \$700,000,000, and Secretary Windom, knowing of this statement, has made no attempt to correct it. Senator Sherman, in a recent speech, said:

"Can anyone with a knowledge of the fact that we have in the course of the year to disburse some \$400,000,000 suppose that \$10,000,000 as a working balance would be all sufficient? If any bank should maintain on hand, for the redemption of current deposits or any other form of liability coming in, at least 25 per cent. of

the amount, even that would be considered very close banking. The Government of the United States requires no such sum, but it does require a much larger sum than \$10,000,000 as a working balance."

With the experience Mr. Sherman has had in the banking business, his judgment is certainly entitled to consideration. But perhaps the most convincing argument that can be adduced is the position Secretary Windom and his predecessors have taken in regard to the redemption of the greenbacks. One hundred million in gold has been, and is now being held to redeem \$346,000,000 of legal tenders. This reserve of $28\frac{2}{10}$ per cent. is deemed necessary for the safety of the public credit, and is therefore a guide as to the amount required to keep private credit from being doubted. If $28\frac{2}{10}$ per cent. is required by the Government to protect the redemption of these greenbacks which the law of May 31, 1878, says shall not be redeemed, surely an estimate of about 15 per cent. is not too large for the protection of private or corporate business. Either Senator Plumb is mistaken, or Senator Sherman errs in judgment, and the Secretary and his predecessors have acted unwisely in the administration of the Treasury, or my figures must stand. It is difficult for me to determine how a certain amount of currency held for a special purpose, either by law or the dictate of business prudence, can be considered as acting in a contradictory and opposite capacity. When the reserve fund of a bank reaches the legal point, discount and consequently a further service to the people must cease. And no matter how often this fund may be changed as regards denomination or kinds, the amount must not go below a certain sum. I shall, therefore, contend that a reserve fund is so much of the amount outstanding that is located in the vaults of the banks, and as a consequence not in circulation.

The whole amount held in United States Treasury is \$712,416,883.36; from this should be deducted \$375,272,794, being the amount of gold and silver certificates outside the Treasury which coin is held to redeem. This gives \$337,144,089.36 as the amount to be taken from the sum outstanding. During the fiscal year 1889 there was a net loss of gold and silver of \$61,691,504; see mint report, page 30. As the amount of bullion remained the same, this was a loss to the circulation. It only remains now to deduct the \$6,916,690 of fractional currency that is still counted in circulation, which has long since been destroyed, and the location of the currency outstanding and the reductions I deem necessary and proper are complete. The matter will stand, according to my figures, about as follows:

Amount outstanding as per Treasurer's statement.....	\$1, 666, 094, 420. 47
Amounts to be deducted:	
Loss in gold coin.....	200, 000, 000. 00
Loss in silver coin	20, 000, 000. 00
Loss in paper currency.....	50, 000, 000. 00
Loss in fractional currency	6, 916, 690. 00
Held as reserves total.....	603, 008, 707. 00
Held in United States Treasury	337, 144, 089. 36
Coin sent abroad	61, 695, 504. 00
Bullion counted as currency.....	76, 439, 588. 00
	1, 355, 204, 578. 36

The balance in circulation among the people is \$310,889,842.11, which, divided among 65,000,000 people, gives \$4.78 per capita.

In the above statement I have consented in part to the position taken by the Secretary in regard to the trust funds in the Treasury, and have increased the amounts of loss in coin and sums held as reserve by the banks. I have based my statements on the reports of the Departments for 1889, as the statistics for 1890 are as yet incomplete. The loss in coin has again been substantiated by the Director of the Mint, and the amount of reserves and the position I take with reference to them have been fully established. The Comptroller of the Currency, in his last report, page 26, states that the business of 3,364 banks on July 1, 1890, consisted of 7.50 per cent. cash, and 92.50 per cent. in checks and drafts, or credit currency. Senator Plumb has publicly stated that there was not over \$10 per capita in circulation. The average number in a family is reckoned at 5. Multiply this by \$4.78, the amount per capita, and it gives \$23.90. Now go among the people and ascertain how many families have this amount in the house or in the bank. An investigation of this sort would soon reveal the fact that my figures are overestimated rather than under. There is not a condition or circumstance connected with the question of the volume of currency that does not discredit the figures given out by the Secretary of the Treasury.

The amount and kind of currency June 30, 1866, was as follows:

One-year notes of 1867	\$8,908,341
Two-year notes of 1868	9,415,250
Compound interest notes	159,012,140
Seven-thirty notes	806,251,550
Temporary loan, ten days	120,176,196
Certificates of indebtedness	26,391,000
United States notes (greenbacks)	400,891,368
Fractional currency	27,070,876
Gold certificates	10,713,180
National-bank notes	204,579,315
Total	1,863,409,216

Divided among 35,819,281 inhabitants gives \$52.01 per capita.

It has been disputed that all of the above was in use as money. No evidence to support such assertions is given, while the fact that they were all used as currency is easily proved. Section 2 of the act of March 3, 1863, makes the one and two year notes "a legal tender for their face value, excluding interest." The same act declares coin certificates receivable for duties on imports, and also compound interest-bearing notes "to be a legal tender for their face value." Section 2 of the act of June 30, 1864, referring to the 7-30's and their sale, provides:

"And the said Treasury notes may be disposed of by the Secretary of the Treasury, on the best terms that can be obtained, for lawful money; and such of them as shall be made payable, principal and interest, at maturity, shall be a legal tender to the same extent as United States notes for their face value, excluding interest."

This act shows the legal-tender quality applied to that issue of \$200,000,000. There are some doubts, however, in regard to the last issue of 7.30's being a legal tender. It is well known to all who were then engaged in business that they were used as currency. That this amount of currency was outstanding is admitted, but its general use is denied by some. Upon this point I will submit the statements of those who should from their positions be able to know. W. P. Fessenden, Secretary of the Treasury, in his report December 6, 1864, said:

"Of 5 per cent. interest-bearing notes there were outstanding the 1st of November last \$120,519,110. To a considerable extent these notes have been and will continue to be used as currency. * * * The total amount of interest-bearing notes outstanding on the 22d of November last was \$210,222,870."

United States Treasurer Spinner in his report gives a "recapitulation of all kinds of Government papers that were issued as money, or that were ever in any way used as a circulating medium, and that remained outstanding and unpaid on the 30th day of June, 1869: 7.30's, old issue; 7.30's, new issue; temporary loan certificates; certificates of indebtedness; 6 per cent. compound notes; 3 per cent. certificates; old 2-year 6 per cent. notes; 1-year 5 per cent. notes; 2-year 5 per cent. notes; 2-year 5 per cent. compound notes; gold certificates." President Grant, in his message to Congress December 2, 1873, said:

"During the last 4 years the currency has been contracted directly by the withdrawal of 3 per cent. certificates, compound-interest notes, and 7.30 bonds outstanding on the 4th of March, 1869 (all of which took the place of legal tenders in the bank reserves), to the extent of \$63,000,000."

But perhaps the most convincing evidence is the report of Treasurer Huston, who, in his report for 1889, regarding the outstanding paper currency, enumerates among others a portion of the 1 and 2 year notes, together with compound-interest notes, as in circulation at the present time. Enough has been shown by the acts of Congress and from the statements of men who could not be mistaken that the amount of currency as given by me is not only correct, but was in use as money. Everyone in business during that period must remember that all these different kinds of currency were in use, and even the 5.20 bonds in some instances did service as well.

Some may ask how and why so much coin should go abroad. The answer is plain. It goes to pay interest and dividends on alien investments. The present Director, Mr. Leech, has taken much time and space to show that \$92,771,950 was taken abroad last year by passengers from the single port of New York. An equal amount must certainly have been taken by passengers going abroad from the other ports of the country, as it is not reasonable to suppose all the travelers started from that city. Dr. Norvin Green, president of the Western Union Telegraph Company, whose position ought to enable him to judge, in his testimony before the Senate Labor Committee of 1885, page 959, said:

"I believe there is held in England by capitalists there \$2,000,000,000 of bonds and dividend-paying stocks of the States in this country, and that the interest and dividend account which we are paying to English capital amounts to \$120,000,000 annually. I learned while I was in England that a careful examination had been made

in the treasury department, or in the department of the chancellor of the exchequer which showed that the English people were deriving from all foreign countries an annual revenue in interest and dividends of £160,000,000 sterling, equal to \$800,000,000 of our money, and of that they were getting at least \$120,000,000 from us. We are paying about \$75,000,000 of it in the balance of trade in our favor, and the remaining \$50,000,000 we are paying by making new loans. If we did not, our gold would be going over there."

This testimony was given 5 years ago, and no one will dispute that foreign investments have increased rapidly since that time. It is safe, therefore, to assume that alien capital is receiving from American investments fully \$150,000,000 annually. And if the balance of trade in our favor does not amount to this sum the remainder must be taken from the stock of coin or bullion. The utmost secrecy is maintained in regard to this amount, and a general desire appears to obtain among investors to keep these facts from the public. Such an aversion for publicity would be the strongest incentive to make remittances of the earnings of those investments in a secret and evasive manner. This, I think, explains the absence of gold and silver that can not otherwise be accounted for.

STATEMENT OF HON. JERRY SIMPSON, OF KANSAS.

FREE COINAGE AN INCIDENT TO EXPANSION.

Mr. SIMPSON. Mr. Chairman and gentlemen of the committee, I do not appear this morning to offer any testimony upon this question, and would not do so except at the request of Mr. Wardall. I will, therefore, offer a few brief remarks in regard to the free coinage of silver. In the first place, we are satisfied that we ought to have a greater volume of currency, and that a want of it has caused a great deal of the widespread debt and poverty which now exists. We think that the people ought to have money enough to represent the values which they exchange, enough to effect the exchange of the products of labor. In the exchange of products it is as necessary to have money with which to make the exchange as it is to have the railroad cars to transport the goods, or to have commercial institutions.

We think, therefore, that anything which increases the volume of money will result in a benefit to the people. The gentlemen who oppose free coinage, oppose it because they do not want silver to circulate as money. They say that it is not sound money. We hold that, instead of the Government taxing the people, it ought to let the people take the silver out of the ground, take it to the mint and get it coined, and put it in circulation themselves. They would have no desire to hold it or hoard it up. That would be a proper way to get the silver certificates out.

Mr. WALKER. That is what is done now.

SPECULATION IN SILVER.

Mr. SIMPSON. Senator Plumb made a statement in the Senate the other day that the silver men would sell it to the Government, and would receive thousand-dollar bills for it, and that it has not passed out among the people.

The CHAIRMAN. How does it get into the hands of the people?

Mr. SIMPSON. Silver passes into the hands of men who speculate upon it; and I understand from an investigation before a committee of this House, it was found that a syndicate had been formed for the purpose of getting up pools, and that members of Congress were engaged in it.

Mr. TAYLOR. I want this gentleman to state the facts. He is stating that members of Congress are engaged in pools.

Mr. SIMPSON. I say I have learned that by an investigation conducted by a committee of this House.

Mr. TAYLOR. The gentleman has no right to reflect upon the members of the House, and I wish he would state the facts.

The CHAIRMAN. He is responsible for his own language.

Mr. SIMPSON. I gather this from what I see in the newspapers. That is where I get my facts.

Mr. COMSTOCK. I understand that a pool was formed here among those gentlemen who had come here for the purpose of promoting silver legislation, and that they had engaged in speculation.

Mr. SIMPSON. It has been so understood by people who read the papers.

IMPORT OF SILVER DESIRABLE.

Another objection which is made to silver is that the coin of foreign nations will be brought here and coined. Is that a serious objection? If I understand the sentiment of the people, particularly those who oppose free coinage, it is that they believe silver is money, and has an actual and intrinsic value. They say that it is wealth. If it is wealth let it come in. I am in favor of bringing wealth into this country from wherever it can come. David A. Wells says in his report that Great Britain, pursuing a policy different from ours, has brought five billions of wealth into England, and we have sent our wealth out of this country to the extent of \$5,000,000,000 instead of bringing it in.

Mr. WALKER. Would you like to have all the silver in the world brought here?

Mr. SIMPSON. Well, let them bring silver here, and all the wealth they can bring. The nation which gets the wealth gets rich fastest.

Mr. TAYLOR. They can not bring silver here unless they take something away for it.

Mr. SIMPSON. They can bring it here and coin it into dollars. When they do that it is reasonable and natural that they would invest in something in this country.

Mr. TAYLOR. They would sell it and buy something, you think?

Mr. SIMPSON. Yes, sir; they would buy something with it, and it would create and encourage a demand for the products of the farmer.

Mr. TAYLOR. They would buy gold for it.

Mr. WILCOX. Your notion is that they would buy products.

Mr. SIMPSON. That is a natural conclusion. It is quite natural that they would buy something for it.

Mr. COMSTOCK. There is one proposition which I do not understand. That is in reference to what you said about this country sending fifteen hundred millions of wealth out of the country and getting nothing back for it. To whom did this country donate that?

Mr. SIMPSON. It donated it to the foreign countries who traded with us.

Mr. COMSTOCK. And received nothing for it in return?

Mr. WILLIAMS. I want to call your attention to the question which has been asked by Mr. Comstock. His question was this, speaking of members of Congress being engaged in silver pools: if it was not also reported that gentlemen who were working for free coinage were engaged in silver speculation, and you answered that they were.

Mr. SIMPSON. I did not understand the gentleman to ask me if those who were here working for free coinage were not engaged in silver pools. I did not understand that, but some members who oppose free coinage went into a speculation, knowing that this bill would pass. They passed this law, and made silver dear, and got rich by it. It was a matter of business with them.

Mr. COMSTOCK. My friend Mr. Williams has misled you. You stated that Congressmen were engaged in speculating in silver, and you said that you had gotten it from a report in the papers. I asked you if gentlemen here working for free coinage were not also speculating in it, and you replied, "Yes." You did not reply from any knowledge or belief, but only as to what you saw in the papers?

Mr. SIMPSON. I have no other means of information, as I was not in Congress nor before the committee which made the investigation.

STATEMENT OF MR. E. P. BACON, OF MILWAUKEE.

Mr. BACON. Mr. Chairman and gentlemen of the committee, I am a receiving and commission merchant. I appear here to represent two of the commercial bodies of Milwaukee—the Chamber of Commerce, composed of 600 members; and also the Merchants' Association, a body composed of merchants, manufacturers, and other business men of that city and surrounding country.

EXTENT OF OPPOSITION TO FREE COINAGE.

I wish to say that I am not going to offer any special argument, but simply to state the facts as to the existence of public opinion in that city and in the territory tributary thereto, which embraces parts of four or five important States of the Northwest. Each of the bodies in Milwaukee which I represent passed a resolution unanimously expressing disapproval of the passage of this act. There was not a dissenting voice at a full meeting, and it is rare that opinions are drawn out upon public questions before these bodies.

I wish to say that in my business throughout four or five of the States of the Northwest, in all of the various towns in which I have been, and being brought into contact with the business men of that section, and having a very extensive acquaintance among those people as well as with the business men of Milwaukee whom I represent, and being acquainted with about nine-tenths of them, being brought into daily contact with them, I can say that I have not heard a single voice raised in favor of the passage of this measure.

Mr. COMSTOCK. To what States do you refer?

Mr. BACON. I refer to the States of Wisconsin, the northern part of Iowa, Minnesota, and North and South Dakota. Those are the principal States. My business is largely through South Dakota. I am speaking of the sentiment among business men, those being the men with whom I come in contact. I have not heard a single voice raised in favor of the passage of this measure.

CREDIT AND CURRENCY.

I can say that in Milwaukee we fail to feel the need of any additional currency. It is not more currency which we need, but more confidence. Thirty days ago it was impossible to get money at any rate of interest. In 2 weeks' time there has been quite a change in that respect, and there is now a surplus in the banks. The money has been returned to them, and the money being returned they are willing to loan it. I wish to say that I think the idea that any increase in the currency is needed seems to me to be erroneous. I will illustrate it by saying that 10 years ago I was in the habit of sending out currency to the extent of upwards

of \$1,000,000 annually. From year to year that money sent out has diminished until now it is less than \$100,000, although my business has increased, the reason being the extensive use of checks and drafts in payment of exchange. They take the place of currency, and the merchants use them, thereby making a saving. In the transactions in all mercantile business the use of checks and drafts has become so large within the past 10 years, at least in the section with which I am familiar, that I should judge not one-half the currency is required to do the same amount of business which has been required heretofore.

Mr. Bacon, in addition to his statement, submitted the following letters and memorial:

CHAMBER OF COMMERCE,
Milwaukee, February 15, 1891.

This is to certify that Mr. E. P. Bacon has been appointed by the Chamber of Commerce of the city of Milwaukee to appear before the Committee on Coinage of the House of Representatives, and lay before said committee the objections of the business men of Milwaukee to the passage of the free silver coinage bill passed by the Senate.

OSCAR MOHR,
President.
W. J. LANGSON,
Secretary.

[SEAL.]

MILWAUKEE, WIS., February 16, 1891.

Hon. E. P. BACON,
Arlington Hotel, Washington, D. C.

DEAR SIR: You are hereby authorized to represent the Merchants' Association of Milwaukee, and appear before the House Committee on Silver Coinage remonstrating, in the strongest manner, against the passage of the Senate bill on coinage and I herewith inclose a resolution passed at a largely attended meeting of our association on the 2d instant, which fully expresses the views of our merchants on the subject.

Respectfully, yours,

C. M. COTTRILL,
President.

MILWAUKEE, WIS., February 2, 1891.

DEAR SIR: The following resolutions were unanimously adopted at a largely-attended meeting of the Merchants' Association held to-day:

Resolved, That we, the members of the Merchants' Association of the city of Milwaukee, emphatically disapprove of the silver coinage bill now before Congress, and that we ask our Representatives to vote against it.

Resolved, That the secretary be instructed to forward copies of this action to Representatives in both Houses of Congress from this State.

C. M. COTTRILL,
President.
A. MEINECKE, JR.,
Secretary.

**STATEMENT OF HON. JOHN JAY KNOX, PRESIDENT OF THE
NATIONAL BANK OF THE REPUBLIC OF NEW YORK.**

WASHINGTON, D. C., *February 16, 1891.*

DEAR SIR: My attention has just been called to various misstatements and misrepresentations which are contained in a pamphlet entitled "Silver in the Fifty-first Congress, preceded by a summary of the coinage laws of the United States prior to 1873 and a history of the act of 1873, and the act of 1878," issued by the National Executive Silver Committee, Hon. Edwards Pierrepont, New York, and others, committee. To this volume, which I am informed has had a wide circulation, may be attributed many of the erroneous statements which have been made in the present Congress and elsewhere in reference to the preparation, consideration, and passage of the coinage act of 1873. These misstatements can be fully answered by reference to the reports of the Secretary of the Treasury for 1870, 1871, 1872, 1876, 1886, and 1889, and other official documents; and I respectfully request an opportunity to present these facts, and possibly others, in reference to the silver question, to your committee at such time as you may find it most convenient to hear me.

Very respectfully,

JOHN JAY KNOX.

Hon. CHAS. P. WICKHAM,
Chairman of Committee on Coinage, House of Representatives.

COMMITTEE ON COINAGE WEIGHTS AND MEASURES,
Friday, February 20, 1891.

The above letter having been previously laid before the committee, Mr. Knox said:

Mr. Chairman and gentlemen of the committee: The preparation of the coinage act of 1873, as passed by Congress, was a conscientious, careful piece of work. But since 1876, in the Senate and House of Representatives, in the public press of this country, and in foreign countries it has been stated over and over again that the parties who framed the coinage act of 1873 and the parties who were prominent in securing its passage through Congress were guilty of passing the act surreptitiously and by secret methods, without giving the people of the United States and their Representatives in Congress the opportunity to know what the bill contained, and particularly what the bill contained in reference to the standard of value in this country. I have repeatedly answered these charges in the press at home, in the *London Economist** and in public addresses.† They have been answered by authors in printed volumes,‡ and frequently on the floor of Congress and once before the Paris Silver Commission in the year 1878 by a dis-

* *London Economist*, December 26, 1885, April 30, 1866.

† Address before American Bankers' Association, Saratoga Springs, August 6, 1879, p. 30. Proceedings.

‡ Laughlin's "History of Bi-Metallism in the United States," pp. 92-105.

tinguished member from the Republic of Switzerland*, Feer-Herzog, who presented official documents to confirm his statements. But the repetition of these charges in an offensive manner by the Silver Committee, A. J. Warner, Chairman, Francis G. Newland, Vice-Chairman, Lee Crandall, Secretary, renders it necessary that I should place on your records, absolute proof from official documents of the falsity of all these statements. I was an official in the city of Washington for nearly a quarter of a century, and my reputation is at stake. I know that everything in connection with the preparation of the act of 1873 was as open as the daylight and as the sunshine.

I believe that every act in the Capitol, from the beginning to the end, with reference to the passage of that bill, was as open and as clear as the sunshine, and I propose in a very few moments, by reference to public documents, to show this, so that it shall be plain to every man who has eyes, unless he will not see.

FULL HISTORY OF THE COINAGE ACT OF 1873.

I had charge of the Mint and coinage correspondence of the Treasury Department from the year 1866 to the date (February 12, 1873) of the passage of the act of 1873.

In the year of 1866, at the request of Secretary McCulloch, I visited the branch mint of San Francisco and Carson City, and purchased the site upon which the present mint building now stands. I made a report which the Secretary complimented in a paragraph in his annual report to Congress. My report was printed with the budget of that year and in it (pp. 263-267 of the Finance Report of 1866) are the following paragraphs:

The subject of silver coinage assumes new proportions as China and Japan become, if not our neighbors, the neighbors of the Pacific States, through the new line of steamers which are to leave New York for China for the first time during the coming month.

Mr. BARTINE. What year was that?

Mr. KNOX. In the year 1866; seven years before the passage of the "Coinage Act of 1873."

The shipments of treasure, chiefly to China and Japan, annually amount to nearly 7 millions of dollars, or about the amount received from customs in San Francisco. Silver coin is at 5 per cent. discount. The shipments to China and Japan are in fine bars. The Chinese resolutely refuse to receive any coin except the Mexican dollar, and it is worthy of consideration whether it would not be to our advantage to increase the standard weight of silver coin and perhaps *again put in circulation the silver dollar; making it [for use in Asia] exactly of the value of the Mexican dollar.*

The subject is rendered still more interesting from the fact that France, Belgium, Italy, and Switzerland, have recently concluded a treaty agreeing upon a uniform system of gold and silver coinage .900 fine. The English sovereign, the French 25-franc and the American half-eagle are so nearly of one value that it would seem feasible for those nations to agree upon one system of coinage. The reduction of the English coin from the fineness of .916 gold and .925 silver to .900 fine, the same fineness of the coinage in Austria, Germany, Prussia, Greece, Rome, Tunis, Sardinia, and Chili, would be a step in that direction. * * *

The law relating to the Mint was passed in 1837, nearly 30 years ago when the annual coinage averaged only \$3,000,000. It is poorly adapted to the present business of the Mint, now averaging a coinage of \$46,000,000 annually. If a commission could be ap-

* International Monetary Conference, 1878, pp. 24-43. Bankers' Magazine, New York, February, 1871.

United States notes, a history of the various issues of paper money by the Government of the United States, pp 148-152, by John Jay Knox. Scribner, New York, 1884. London, F. Fisher Unwin, 1885.

Bowles' "Financial History of the United States," volume vi.

McPherson's "Hand Book of Politics," 1890, pp. 157-169.

pointed of persons familiar with this subject *to revise all the laws relative to the Mint and branches*, after having examined the laws and institutions of other countries, the benefit of such legislation would be seen at once in the increased efficiency and receipts of our own institutions.

Secretary Boutwell, in his report for 1869, in unison with this suggestion, recommended the establishment of a bureau in the Treasury Department and the appointment of an officer who should be at the head of the Mint service of the United States. Subsequently he directed a revision of the Mint laws, and Assistant Secretary Richardson requested me to take charge of the work. Dr. Linderman, who had for many years been an officer of the Mint at Philadelphia, was at my request associated with me.

METHOD ADOPTED IN THE PREPARATION OF THE REVISED BILL.

The method adopted in the preparation of the bill was first to arrange in as concise form as possible the mint and coinage laws then in existence, with additional sections and suggestions. The bill as thus prepared was printed upon paper with wide margin, and in this form transmitted to the officers of the different mints, and assay offices, and to other gentlemen who were known to be intelligent upon such subjects, with the request that the printed bill should be returned with their notes and comments.

Mr. BARTINE. To whom did you send it?

Mr. KNOX. To the officers of the assay offices; to everyone I could think of, who was interested in the subject.

Mr. BARTINE. What dollar piece did you propose in this bill?

Mr. KNOX. The dollar of 384 grains, in order to ascertain the views of correspondents.

Mr. CARTER. Is that the dollar called the trade dollar?

Mr. KNOX. No, sir. It was a dollar, twice the weight of the half dollar then in circulation. Those sections which related to accounts were referred to the First Comptroller, the First Auditor, and the Treasurer; the sections which related to crimes in the Mint service were referred to the Solicitor; other sections in reference to the abrasion of coins and the tolerance allowed in the manufacture of coin were referred to President Barnard, of Columbia College, New York; Professor Torrey, of the Assay Office, and to Hon. A. L. Snowden, now minister to Greece, and to other gentlemen who were known to be interested in such scientific and technical subjects.

The preparation of the bill was commenced in December, 1869, and completed on April 25, the following year, at which time the Secretary of the Treasury transmitted the following letter to the Hon. John Sherman, chairman of the Finance Committee of the Senate:

TREASURY DEPARTMENT, *April 25, 1870.*

SIR: I have the honor to transmit herewith a bill revising the laws relative to the Mint, assay offices, and coinage of the United States, and accompanying report. The bill has been prepared under the supervision of John Jay Knox, Deputy Comptroller of the Currency, and its passage is recommended in the form presented. It includes, in a condensed form, all the important legislation upon the coinage, not now obsolete, since the first mint was established, in 1792; and the report gives a concise statement of the various amendments proposed to existing laws and the necessity for the change recommended. There has been no revision of the laws pertaining to the Mint and coinage since 1837, and it is believed that the passage of the inclosed bill will conduce greatly to the efficiency and economy of this important branch of the Government service.

I am, very respectfully, your obedient servant,

GEO. S. BOUTWELL,
Secretary of the Treasury.

The report and the bill were referred on April 28, 1870, to the Finance Committee of the Senate, and subsequently, on May 2, 1870, 500 additional copies were ordered to be printed for the use of the Treasury Department.

The proposed amendments to the bill were plainly stated in the report as follows :

The new features of the bill now submitted are, chiefly, the establishment of a Mint Bureau at the Treasury Department, which shall also have charge of the collection of statistics relative to the precious metals; the consolidation of the office of the superintendent with that of the Treasurer, thus abolishing the latter office, and disconnecting the Mint entirely from the office of assistant treasurer; the repeal of the coinage charge, and authorizing the exchange of unparted for refined bars; a reduction in the amount of wastage, and the tolerance (deviation in weight and fineness) in the manufacture of coin; requiring the token coinage to be of one material of uniform value, and to be redeemed under proper regulations when issued in excess, and the expense of its manufacture to be paid from specific appropriations, and not from the gain arising in its manufacture, as heretofore; an entire change in the manner of issuing the silver (subsidiary) coinage; *discontinuing the coinage of the silver dollar*; limiting the amount of silver to be used as alloy, so as to make the gold coinage of uniform color; the destruction of the dies not in use annually; requiring vouchers to pass between the different officers of the Mint in all transfers of bullion or coin; requiring increased bonds from officers of the Mint, and authorizing each officer to nominate his subordinate before appointment; and also making it an offense to increase or diminish the weights used in the Mint.

The subject of changing the weight or of discontinuing the coinage of the silver dollar was fully discussed.

PRESIDENT JEFFERSON SUSPENDS THE COINAGE OF THE SILVER DOLLAR—NONE COINED FOR 30 YEARS.

The coinage of this piece was first authorized by the act which authorized the establishment of the Mint in 1792. It was based upon the ratio of 15 ounces of silver to 1 of gold, and during the next 13 years there were coined only 1,439,517 of these pieces. The ratio was erroneous, and President Jefferson in 1805* without any special authorization of law suspended the coinage of the silver dollar in order to bring gold into circulation and from that date for 30 years, until 1836, no silver dollars were coined, and from the organization of the Government up to the passage of the coinage act of 1873 only 8,045,838 dollar pieces were issued.

GOVERNOR POLLOCK RECOMMENDS THE STOPPAGE OF THE COINAGE OF THE SILVER DOLLAR IN 1861.

Ex-Governor James Pollock, in his report for 1861, as Director of the Mint (p. 623, finance report, 1861), says:

The gold dollar of the United States, conforming in standard value and decimal character to all the gold and silver coinage of the country, except the silver dollar, has been properly selected and *should be retained as the standard of value* for all foreign coins used or employed in commercial or Governmental transactions with other nations. The silver dollar of the United States, differing as it does in commercial and decimal value from the other silver coins of the country, can not, without

* Mr. Campbell P. White, in an appendix to his famous report, upon which the act of 1834 was founded, transmits a letter from Samuel Moore, Director of the Mint at Philadelphia, under date of May 25, 1832, in which he says:

"The President, in 1805, interposed more efficiently by directing that the coinage of dollars should be suspended at the Mint; this remedy met the particular exigence. The Chinese, through prejudice, undervalued the dollar; the lower denominations they refused." (Senate Mis. Doc. No. 132, Forty-first Congress, second session.)

disturbing our decimal system and producing confusion in the relative value of our gold and silver coinage, be used as a standard. The legal weight of the silver dollar is $412\frac{1}{2}$ grains; of two half dollars, or other component fractions of the dollar, 384 grains—a difference of $28\frac{1}{2}$ grains.

The silver dollar as it now is has actually three values:

(1) It is by law a dollar simply, or 100 units or cents.

(2) By the Mint price of silver it is 103.98 cents, which is its true commercial value, as compared with gold.

(3) It has an interior or Mint value, which is determined by its relation to the silver contained in the half-dollar, which makes it $107\frac{3}{4}$ cents, for which reason single pieces are paid out at the Mint at the even price of 108 cents.

As the dollar, *which is the unit of our money, is represented in gold coin* it would seem desirable not to have another dollar in another metal, but if this is inadmissible, and the silver dollar should be retained, then it should be reduced to eight-tenths of an ounce, to be in true relation to our other silver coins.

Two reasons seem to have influenced Congress in retaining the silver dollar at its present anomalous terms: First, that it preserves the old dollar, known from the beginning of our coinage, and often exactly stipulated for in deeds of rent-charge, mortgage, and other moneyed securities. To this it may be successfully replied that such payments are now always made in gold, because it is the legal and usual tender for all sums exceeding \$5, and because silver dollars are no longer to be had or are very rare. In the second place, it was supposed to be needed for our China and East India trade. But our consular advices are to the effect that our silver dollars are very reluctantly taken at the ports, and not at all in the interior of China. They are believed by the Chinese to be of less value than they really are. The reasons for its retention having ceased, *either we should cease to coin the silver dollar or it should be made to conform in weight and value to our lesser silver coins.*

My report of April 25, 1870 called special attention to the discontinuance of the silver dollar and the reasons given were similar to those here given by Governor Pollock who was Director of the Mint in 1861. The paragraph in reference to this subject was headed in capital letters and was as follows:

SILVER DOLLAR—ITS DISCONTINUANCE AS A STANDARD.*

The coinage of the silver-dollar piece, the history of which is here given, is discontinued in the proposed bill. It is by law the dollar unit, and assuming the value of gold to be fifteen and one-half times that of silver, being about the mean ratio for the past 6 years, is worth in gold a premium of about 3 per cent. (its value being 103.12) and intrinsically more than 7 per cent. premium in our other silver coins, its value thus being 107.42. The present laws consequently authorize both a gold-dollar unit and a silver-dollar unit, differing from each other in intrinsic value. *The present gold dollar piece is made the dollar unit in the proposed bill, and the silver-dollar piece is discontinued.* If, however, such a coin is authorized, it should be issued only as a *commercial dollar*, not as a standard unit of account, and of the exact value of the Mexican dollar, which is the favorite for circulation in China and Japan and other Oriental countries.

The appendix to the report contained a copy of the English coinage act of 1870, and four tables giving (1) the existing coinage, including the silver dollar; (2) the proposed coinage *in which the silver dollar was omitted*; (3) a metric system of coinage suggesting the issue of a subsidiary silver coinage consisting of two half-dollars constituting in weight and fineness an exact equivalent to the French five-franc piece,

* Mr. J. K. Upton, in his book, *Money in Politics*, says:

“The silver was now (1805) the unquestioned unit of account, and in this coin all contracts calling for dollars could be satisfied. Mr. Jefferson, who was then President, had favorably indorsed the ratio of 1 to 15 proposed by Mr. Hamilton, and adopted in the coinage act of 1792. He believed that both metals could and would circulate side by side under the relations fixed by that act. He desired that gold should circulate as well as silver, and, to prevent the expulsion of gold, he peremptorily ordered the Mint to discontinue the coinage of the silver dollar, and Congress and the country seemed to have approved his action, although taken without authority, if not in direct violation of law. To the effect of this executive interference is probably due the fact that from 1806 to 1836 no silver dollars were coined.”

and a quarter-dollar and dime with proportionate weight and fineness, which proposition was finally adopted; (4) a table giving a *comparison of coinage existing and proposed*. A note at the foot of this table states that *the silver dollar, half-dime, and three-cent piece are omitted in the proposed bill*. Subsequently, on June 25, 1870, the Secretary of the Treasury transmitted to the House of Representatives a letter of myself, then Deputy Comptroller of the Currency, together with copies of the correspondence of the Department with the officers of the different mints, assay offices, and other experts, in reference to the bill and report submitted on April 25, 1870.

The bill in its original form, which was transmitted to the correspondents throughout the country for consideration and comment, contained the following section, as appears from the manuscript copy at the Treasury Department:

SEC. 15. *And be it further enacted*, That of the silver coins [the weight of the dollar shall be 384 grains] (now 412½ grains) the weight of the half-dollar or piece of 50 cents shall be 192 grains; and that the quarter-dollar and dime [and half-dime] shall be, respectively, one-half and one-fifth [and one-tenth] of the weight of said half-dollar. That the silver coin issued in conformity with the above sections shall be a legal tender in any one payment of debts for all sums [not exceeding \$5, except duties on imports] *less than \$1*.

If the words inclosed in [brackets] of the section as here given are excluded and the words in *italics* included, the section will conform precisely to the section which was transmitted to Congress and which passed the Senate on January 9, 1871.

THE DOLLAR OF 384 GRAINS.

The dollar of 384 grains was proposed in the rough revision of the bill for the purpose of obtaining an expression of opinion in reference to the proposed omission of the dollar piece, and the words "except duties on imports" inserted, for the reason that a regulation or usage at the custom-house in New York limited the full amount of payment of silver coins to the fractional parts of a dollar, except when the payment to be made was \$5 or less.

Mr. WALKER. Do I understand that silver coin was not received in payment of customs?

Mr. KNOX. Yes; silver coin was refused at the custom-house from 1853 to 1873 except for fractions of the dollar. Correspondents were requested to give their views in reference to the retention of the dollar of 412½ grains, of 384 grains, or if in favor of the discontinuance of the coinage of the dollar piece as recommended by ex-Governor Pollock.

My second report of 95 pages,* containing the correspondence relative to the coinage bill, which was transmitted to Congress on June 25 1870, gives the views of the following correspondents upon the subject of the coinage of the silver dollar.

VIEWS OF SEVEN CORRESPONDENTS IN REFERENCE TO SILVER DOLLAR.

Hon. James Pollock, the Director of the Mint at Philadelphia, said:

SEC. 11. The *reduction of the weight of the whole dollar is approved* and was recommended in my annual report of 1861. (Page 10.)

* H. R. Ex. Doc. No. 307, Forty-first Congress, second session.

Mr. Robert Patterson, of Philadelphia, sent to Mr. Knox some notes on the bill, suggesting amendments. He called attention to one of these in the following words :

The *silver dollar*, half-dime, and three-cent piece are dispensed with by this amendment. *Gold becomes the standard money, of which the gold dollar is the unit. Silver is subsidiary*, embracing coins from the dime to half-dollar; coins less than the dime are of copper-nickel. The legal tender is limited to necessities of the case; not more than a dollar for such silver or 15 cents for the nickels.

Mr. Franklin Peale, formerly melter and refiner and chief coiner of the mint at Philadelphia, recommended *the discontinuance of the three and one dollar gold pieces*, and supplying the place of the latter with a proper silver coin to be used as change. Dr. H. R. Linderman, the present Director of the Mint, said :

Section 11 reduces the weight of the silver dollar from $412\frac{1}{2}$ to 384 grains. I can see no good reason for the proposed reduction in the weight of this coin. It would be better, in my opinion, *to discontinue its issue altogether*. The gold dollar is *really the legal unit* and measure of value. Having a higher value as bullion than its nominal value, the silver dollar long ago ceased to be a coin of circulation; and being of no practical use whatever its issue should be discontinued.

Mr. James Ross Snowden, formerly Director of the Mint, said:

I see that it is proposed to *demonetize the silver dollar*. *This I think unadvisable*. Silver coins below the dollar, are now not money in a proper sense, but only tokens. I do not like the idea of reducing the silver dollar, to that level. It is quite true that the silver dollar, being more valuable than 2 half-dollars or 4 quarter-dollars, will not be used as a circulating medium, but only for cabinets and perhaps to supply some occasional or local demand; yet I think there is no necessity for so considerable a piece as the dollar to be struck from metal which is only worth 94 cents. When we speak of dollars let it be known that we speak of dollars not demonetized and reduced below their intrinsic value, and thus avoid the introduction of contradictory and loose ideas of the standards of value.

Mr. George F. Dunning, formerly superintendent of the United States assay office in New York, proposed that the law in regard to the silver coinage should be in the following language :

SEC. 11. *And be it further enacted*, That the silver coins of the United States *shall be a dollar*, a half-dollar, a quarter-dollar, a dime or tenth of a dollar, and a half-dime or twentieth of a dollar; and the standard weight of the silver coins shall be *in the proportion of 384 grains to the dollar* and these coins shall be a legal tender in all payments not exceeding \$5.

The officers of the San Francisco branch mint made the following suggestions :

Section 11. Would not the *proposed change in the weight of the silver dollar* disturb the relative value of all our coinage, affect our commercial conventions, and possibly impair the validity of contracts running through a long period? Might not the dollar be retained as a measure of value, but the coinage of the piece for circulation be discontinued?

Mr. E. B. Elliott, of the Treasury Department, gave a complete history of the silver dollar, and suggested *the issue of a commercial dollar of nine-tenths fineness, and containing of pure silver just 25 grams, in place of the then existing silver dollar of $412\frac{1}{2}$ grains*; the proposed silver dollar being almost the exact equivalent of the silver contained in the older Spanish-Mexican pillared dollar, established in 1704 by proclamation of Queen Anne as a legal tender of payment and accepted as par of exchange for the British colonies of North America at the rate of 54 pence sterling to the dollar, or four and four-ninths dollars to the pound sterling.

THEIR VIEWS PRINTED WITH HEADINGS IN CAPITAL LETTERS.

All of these gentlemen were either officers or ex-officers of the Government and their views were entitled to full consideration. The above paragraphs, in the report, from the letters of these gentlemen upon the subject of the reduction of the weight of the standard dollar piece, were all printed in capital letters, as follows:

(1) SILVER DOLLAR, HALF-DIME, AND THREE-CENT PIECE DISCONTINUED.

(2) SILVER COIN SHOULD ONLY BE ISSUED IN EXCHANGE FOR GOLD AT PAR.

(3) WEIGHT OF SILVER DOLLAR SHOULD BE CAREFULLY CONSIDERED

Mr. WALKER. What year was that?

Mr. KNOX. In the year 1870.

Mr. WALKER. What month?

Mr. KNOX. June 25, 1870.

(4) THE THREE-DOLLAR AND ONE-DOLLAR PIECES SHOULD BE DISCONTINUED.

(5) DISCONTINUANCE OF SILVER DOLLAR.

(6) THE PRESENT SILVER DOLLAR SHOULD NOT BE DISCONTINUED.

(7) GOLD AND SILVER COINS.

(8) THE SILVER DOLLAR. ITS DISCONTINUANCE AS A STANDARD.

It would have been impossible for a Senator or Representative to read the report accompanying the bill and not know that the discontinuance of the silver dollar was under discussion.

Mr. WALKER. How many Congresses from the time it was introduced to its passage?

Mr. KNOX. The bill came from the Treasury Department in 1870 and was passed in 1873. There were five or six different sessions intervening. On December 19, 1870, the bill was reported from the Finance Committee of the Senate and printed with amendments.

On January 9, 1871, in accordance with previous notice, the bill came before the Senate and was discussed during that day and the following day by Senators Sherman, Sumner, Bayard, Stewart of Nevada, Williams, Casserly, Morrill, and others, and passed the Senate on the 10th by a vote of 36 yeas to 14 nays.

SPEECH OF MR. KELLEY, CHAIRMAN OF THE COINAGE COMMITTEE.

On January 13, 1871, on motion of Hon. William D. Kelley, the Senate bill was ordered to be printed. On February 25, 1871, Mr. Kelley, the chairman of the Committee on Coinage, reported the bill back with an amendment in the nature of a substitute, when it was again printed and recommitted. Mr. Kelley again, on March 9, 1871, introduced the bill in the Forty-second Congress, when it was ordered to be printed and referred to the Committee on Coinage when appointed.

On January 9, 1872, the bill was reported by Mr. Kelley, chairman of the Coinage Committee, with the recommendation that it pass. The bill was read and discussed at length by Messrs. Kelley, Potter, Garfield, Maynard, Dawes, Holman, and others. Mr. Kelley, in the opening speech, said:

The Senate took up the bill and acted upon it during the last Congress and sent it to the House; it was referred to the Committee on Coinage, Weights, and Measures, and received as careful attention as I have ever known a committee to bestow on any measure.

We proceeded with great deliberation to go over the bill not only section by section, but line by line and word by word; the bill has not received the same elaborate consideration from the Committee on Coinage of this House; but the attention of each member

was brought to it at the earliest day of this session; each member procured a copy of the bill and there has been a thorough examination of the bill again.—Congressional Globe, volume 100, page 322.

Mr. Kelley on the same day also said:

There are one or two things in this bill I will say to the gentleman from New York, with his permission, which I personally would like to modify; that is to say, I would like to follow the example of England and *make a wide difference* between our silver and gold coinage. * * *

I would have liked to have made the gold dollar uniform with the French system of weights, taking the gram as a unit. (Page 323, volume 100.)

On January 10, 1872, the bill after considerable discussion was again recommitted, and on February 9, 1872, it was again reported from the Coinage Committee by Hon. Samuel Hooper, printed and recommitted, and on February, 13, 1872, reported back by Mr. Hooper with amendments, printed, and made the special order for March 12, 1872, until disposed of.

SPEECH OF MR. HOOPER, CHAIRMAN OF COMMITTEE, APRIL, 1872.

On April 9, 1872, the bill came up in the House for consideration. Mr. Hooper in a carefully prepared speech of ten columns explained the provisions of each section of the bill. In this speech (page 2306, volumn 102 of the Congressional Globe) he says:

Section 16 reënacts the provisions of the existing laws defining the silver coins and their weights, respectively, *except in relation to the silver dollar*, which is reduced in weight from 412½ to 384 grains, thus making it a *subsidiary coin in harmony with the silver coins of less denomination* to secure its concurrent circulation with them. The silver dollar of 412½ grains, by reason of its bullion or intrinsic value being greater than its nominal value, long since ceased to be a coin of circulation, and is melted by manufacturers of silverware. It does not circulate now in commercial transactions with any country, and the convenience of these manufacturers in this respect can better be met by supplying small stamped bars of the same standard, avoiding *the useless expense of coining the dollar for that purpose*.

Mr. Stoughton, of the Coinage Committee, also made a speech of seven columns, in which he says:

The silver coins provided for *are the dollar, 384 grains troy*, the half-dollar, quarter-dollar, and dime, of the value and weight of one-half, one-quarter, and one-tenth of the dollar, respectively; and they are made a legal tender for all sums not exceeding \$5 at any one payment. The silver dollar, as now issued, is worth for bullion 3¼ cents more than the gold dollar and 7¼ cents more than two half-dollars; having a greater intrinsic and nominal value, it is certain to be withdrawn from circulation whenever we return to specie payment, and to be used for only manufacture and exportation as bullion.

Mr. Clarkson N. Potter, of New York, in commenting upon the bill says:

Mr. Speaker this is a bill of importance. When it was before the House in the early part of this session I took some objections to it which I am inclined now to think, in view of all the circumstances, were not entirely well founded, but after further reflection I am still convinced that it is a measure which it is hardly worth while for us to adopt at this time. * * * This bill provides for the *making of changes in the legal tender coin of the country and for substituting as legal tender coin of only one metal instead as heretofore of two*. I think myself this would be a wise provision, and that legal tender coins, except subsidiary coin, *should be of gold alone*; but why should we legislate on this now when we are not using either of those metals as a circulating medium?

The bill provides also for a *change in respect of the weight and value of the silver dollar*, which I think is a subject which, when we come to require legislation about it at all, will demand at our hands very serious consideration, and which, as we are not using such coins for circulation now, seems at this time to be an unnecessary subject about which to legislate." (Page 2310, volume 102).

Mr. Kelley also said:

I wish to ask the gentleman who has just spoken [Mr. Potter] if he knows of any government in the world which makes its subsidiary coinage of full value? The sil-

ver coin of England is 10 per cent. below the value of gold coin, and, acting under the advice of the experts of this country, and of England and France, Japan has made her silver coinage within the last year 12 per cent. below the value of gold coin, and for this reason: *It is impossible to retain the double standard. The values of gold and silver continually fluctuate. You can not determine this year what will be the relative values of gold and silver next year. They were 15 to 1 a short time ago; they are 16 to 1 now.*

Hence all experience has shown that you must have one standard coin which shall be a legal tender for all others, and then you may promote your domestic convenience by having a subsidiary coinage of silver, which shall circulate in all parts of your country as legal tender for a *limited amount* and be redeemable at its face value by your Government. But, sir, I again call the attention of the House to the fact that the gentlemen who oppose this bill insist upon maintaining a silver dollar worth $3\frac{1}{2}$ cents more than the gold dollar and worth 7 cents more than two half dollars, and that so long as those provisions remain you can not keep silver coin in the country.

BILL WITH DOLLAR OF 384 GRAINS PASSES THE HOUSE.

On May 27, 1872, the bill was again called up by Mr. Hooper for the purpose of offering an amendment in the nature of a substitute, and the bill as amended passed that day—yeas 110, nays 13.

Just previous to the passage of the bill Mr. McNeeley, of the Coinage Committee said:

As a member of the Committee on Coinage, Weights, and Measures, having carefully examined every section and line of this bill, and generally understanding the subject before us, I am satisfied that the bill ought to pass. (Page 3883, volume 104.)

The substitute reported by Mr. Hooper and passed by the House, so far as it refers to silver coinage, was identical with the bill previously reported from the Coinage Committee by him. It was also identical with the bill introduced by Mr. Kelley, with the single exception of the provision authorizing the coinage of a silver dollar weighing 384 grains. The bill of Mr. Kelley, so far as it related to the silver coinage was identical with the bill which was prepared at the Treasury Department, and which had passed the Senate, excepting that the latter bill made the silver coin a legal tender for all sums less than \$1, while the bill of Mr. Kelley made the silver coins a legal tender for \$5 in any one payment.

The bill was again printed in the Senate on May 29, 1872, and referred to the Finance Committee. Senator Sherman, in reporting it back on December 16, 1872, said:

This bill has, in substance, passed both Houses, except that the Senate bill enlarged and increased the salaries of the officers of the mint; it was passed by the Senate at the session of the last Congress, went to the House, and now, somewhat modified, has passed the House at this Congress, so that the bill has practically passed both Houses of Congress. The Senate Committee on Finance propose a modification of only a single section; but as this is not the same Congress that passed the bill in the Senate, I suppose it will have to go through the form of a full reading unless the Senate are willing to take it on the statement of the committee, the Senate already having debated it and passed it. (Page 203, volume 106, third session Forty-second Congress.)

After further debate, on motion of Mr. Cole, the bill *was printed in full with amendments.*

BILL PASSES THE SENATE WITH TRADE DOLLAR OF 420 GRAINS.

On January 7, 1873, it was again reported with amendments *and again printed* for the information of the Senate. It passed that body on January 17, 1873, after a discussion occupying nineteen columns of the Congressional Globe. In the course of the debate Senator Sherman said:

This bill proposes a silver coinage exactly the same as the French, and what are called the associated nations of Europe, who have adopted the international standard of silver coinage; that is, the dollar [two half-dollars] provided for by this bill is the precise equivalent of a 5-franc piece. It contains the same number of grammes of silver,

and we have adopted the international gramme instead of the grain for the standard of our silver coinage. *The trade dollar has been adopted* mainly for the benefit of the people of California and others engaged in trade with China.

That is the only coin measured by the grain instead of by the gramme. The intrinsic value of each is to be stamped upon the coin. *The Chamber of Commerce of New York recommended this change*, and it has been adopted, I believe, by all the learned societies who have given attention to coinage, and has been recommended to us, I believe, as the general desire. That is embodied in these three or four sections of amendment to make our silver coinage correspond in exact form and dimensions and shape and stamp with the coinage of the associated nations of Europe, who have adopted an international silver coinage. (Page 672, volume 106, third session, Forty-second Congress.)

The bill was sent to the House, and on January 21, 1873, on motion of Mr. Hooper, it *was again printed with amendments*, and subsequently committees of conference were appointed, consisting of Messrs. Hooper, Houghton, and McNeely, of the House, and Senators Sherman, Scott, and Bayard, of the Senate. The reports of the committees of conference were agreed to, and the bill became a law on February 12, 1873, substantially as originally prepared at the Treasury.

The bill as prepared at the Treasury omitted the silver-dollar piece, and the report stated the fact of its omission three different times and gave the reasons therefor. The silver-dollar piece was omitted from the bill as it first passed the Senate. It was also omitted from all the bills reported by Mr. Kelley; but in the bills reported by Mr. Hooper, a new silver dollar was proposed equal in weight (384 grains) to two of the half-dollars then authorized.

The Senate substituted a trade dollar weighing 420 grains in place of the dollar of 384 grains, *in accordance with the wishes of the dealers in bullion upon the Pacific coast*, that being considered by them as the most advantageous weight for a coin to be used for shipment to China and Japan.

The weight of the trade dollar was fixed by Cashier Ralston of the Bank of California, and Mr. E. B. Elliott and myself proposed to him to substitute a commercial dollar of 25 grammes of *pure silver*, which he declined, and I have the correspondence on this subject.

BILL READ IN FULL IN SENATE AND IN HOUSE AND PRINTED THIRTEEN TIMES.

The weight of the subsidiary silver coin was increased about one-half per cent. in value, making the half-dollar, quarter-dollar, and dime, respectively, of the weight of $12\frac{1}{2}$ grammes, $6\frac{1}{4}$ grammes, and $2\frac{1}{2}$ grammes, or precisely one-half, one-quarter, and one-tenth, respectively, of the weight of the French 5-franc piece. All of said coins were made a legal tender in nominal value for any amount not exceeding \$5 in any one payment. The bill was read in full in the Senate several times,* and the record states on January 9, 1872, that it was read in the House. It was undoubtedly read at other times. *The bill was printed separately eleven times* and twice in reports made by the Deputy Comptroller of the Currency, *thirteen times in all, by order of Congress*. It was considered at length by the Finance Committee of the Senate and the Coinage Committee of the House during five different sessions, and the debates upon the bill in the Senate occupied sixty-six columns of the Globe and in the House seventy-eight columns of the Globe.

* McPherson, in his "Hand Book of Politics for 1890," gives the date of one of these readings in the Senate as January 17, 1873, only about five weeks before its passage (pp. 165, 166).

SECRETARY RECOMMENDS BILL IN THREE ANNUAL REPORTS.

The Secretary of the Treasury called the special attention of Congress to the bill in his annual reports for 1870, 1871, and 1872.

In his report for December 5, 1870, Secretary Boutwell said (p. 7):

I respectfully ask the attention of Congress to the bill prepared in this Department and submitted at the last session to the accompanying report relative to the mints and coinage system of the country. The bill was prepared with care and it has been since submitted to the criticism of a large number of practical and scientific men whose views have been published by authority of Congress.

Secretary Boutwell, also in his report for December, 1871 (p. 15), says:

During the third session of the Forty-first Congress a bill was submitted for organizing a mint bureau. The bill passed the Senate but failed in the House, though I am informed there were no objections to the principle on which the bill was framed. I urgently recommend the passage of a similar bill at the present session of Congress.

In his report for 1872, *only about two months before the passage of the act*, he calls special attention to the depreciation of silver, the prohibition of silver coinage for circulation in this country, and recommends the coinage of a trade dollar as follows:

In the last 10 years the commercial value of silver has depreciated about 3 per cent. as compared with gold, and its use as a currency has been discontinued by Germany and by some other countries. The financial condition of the United States has prevented the use of silver as currency for more than 10 years, and I am of opinion that upon grounds of public policy *no attempt should be made to introduce it*, but that the coinage should be limited to commercial purposes, and designed *exclusively for commercial uses with other nations*.

The intrinsic value of a metallic currency should correspond to its commercial value, or metals should be used for the coinage of tokens redeemable by the Government at their nominal value. As the depreciation of silver is likely to continue, it is impossible to issue coin redeemable in gold without ultimate loss to the Government; for when the difference becomes considerable the holders will present the silver for redemption and leave it in the hands of the Government, to be disposed of subsequently at a loss.

Therefore, in renewing the recommendations heretofore made for the passage of the mint bill, I suggest such alterations as will *prohibit the coinage of silver for circulation in this country*, but that authority be given for the coinage of a silver dollar that shall be as valuable as the Mexican dollar, and to be furnished at its actual cost.

The Hon. Henry R. Linderman, for more than a quarter of a century an officer of the mint, who was associated with myself in the preparation of the bill, and watched its progress in Congress, says in his report for 1876 (pp. 297, 298, Finance Report):

In the discussion of some of these propositions it has been intimated, if not directly charged, that the repeal by the coinage act of 1873 of what may properly be termed the remnant of the silver standard left by the demonetizing legislation of 1853, was done without due consideration or in the interest of certain creditors of the United States and to insure payment of the latter in gold coin. An examination of the public records will show that the discussion and consideration of the act referred to covered a period of more than 2 years, that there was no concealment as to any of its provisions, and that all proper care was exercised to render the measure as perfect as possible. The director was frequently consulted in relation to the various provisions of the act, from its incipency to its final passage, and he is able to state that, from first to last, *there was no desire or effort on the part of any one advocating the measure to favor either debtors or creditors, or to do anything other than what they believed to be, from the best of their knowledge, entirely in the interests of the public service and of the people of the country at large*.

The original draft of the bill revising the laws relative to the mints, assay offices, and coinage of the United States was prepared in 1869 and 1870, under the supervision of John Jay Knox, then deputy and now Comptroller of the Currency, and was transmitted to the Senate by the Secretary of the Treasury April 25, 1870, the views and criticisms of the mint and Treasury officers and other gentlemen conversant with metallurgical and coinage subjects having been previously requested, and published in compliance with a resolution of the House of Representatives.

The report of Mr. Knox, which accompanied the bill, explained in detail the proposed amendments, *and referred specifically to the silver dollar and its discontinuance as a standard.* The bill after discussion, passed the Senate January 10, 1871, and on the 27th of May of the following year, 1872, passed the House of Representatives. Having been amended by the House, it was returned to the Senate, and passed that body January 17, 1873. It next came before a conference committee of the two Houses, and subsequently, February 12, 1873, became a law nearly 3 years after its introduction in the Senate. It appears from the official documents, that only one or two of the numerous experts who examined the bill recommended the retention of the silver dollar, *and that not a single member of Congress in debate opposed its abandonment.*

Dr. Linderman adds:

Mr. Samuel Hooper, of Massachusetts, who had the bill in charge, explained the provisions in reference to the silver coinage in detail in the House of Representatives, when he said:

"Section 14 declares the gold dollar of 25.8 grains of standard gold to be unit of value. Gold practically having been in this country for many years the standard or measure of value, as it is legally in Great Britain and most of the European countries, the silver dollar, which by law is now the legally declared unit of value, does not bear a correct relative proportion to the gold dollar. Being worth intrinsically about \$1.03 in gold, it can not circulate concurrently with the gold coins. The law of 1792, now in force, provided for the coinage of dollars or units, each to be of the value of a Spanish milled dollar, as the same is now current, and to contain $371\frac{1}{8}$ grains of pure or 416 grains of standard silver.

"The Spanish dollar of full weight then in circulation contained $374\frac{1}{8}$ grains of pure silver, but the variation or error in fixing the weight of the American dollar is said to have arisen from assuming the average instead of the highest weight of any one of the number of pieces assayed for that purpose. As the value of the silver dollar depends on the market price of silver, which varies according to the demand and supply, it is now intrinsically worth, as above stated, about 3 cents more than the gold dollar. By the act of January 18, 1837, the standard of the silver coins was increased to .900 fine, which reduced the weight of the dollar from 416 to $412\frac{1}{2}$ grains; the amount of pure silver, however, remained the same, namely, $371\frac{1}{8}$ grains. The committee, after careful consideration, concluded that 25.8 grains of standard gold, constituting the gold dollar, *should be declared the money unit or representative of the dollar of account.*

"Section 16 reenacts the provisions of existing laws defining the silver coins and their weights respectively, except in relation to the *silver dollar which is reduced in weight from $412\frac{1}{2}$ to 384 grains*, thus making it a subsidiary coin in harmony with the silver coins of less denominations, to secure its concurrent circulation with them. The silver dollar of $412\frac{1}{2}$ grains, by reason of its bullion or intrinsic value *being greater than its nominal value, long ceased to be a coin of circulation, and is melted by manufacturers of silverware.* It does not circulate now in commercial transactions with any country, and the convenience of those manufacturers in this respect can better be met by supplying small stamped bars of the same standard, avoiding the useless expense of coining the dollar for that purpose."

Hon. Abram S. Hewitt, of New York in his exhaustive speech in the House on the 5th of August, 1876, replied fully to the charge which had been made by Mr. Bland, of Missouri, by Mr. Holman, of Indiana, by Mr. Fort, of Illinois, and by Senator Jones, of Nevada, that the coinage act of 1873 had passed surreptitiously and without discussion, by giving the true history of that act, which was subsequently printed in the report of the Comptroller of the Currency (pp. 170-175) for 1876.

EFFECTS OF THE COINAGE ACT OF 1873.

Hon. Daniel Manning, Secretary of the Treasury during the administration of President Cleveland, in his report for 1886, p. 28, thus refers to this subject:

The act of 1873, we are told, "demonetized" the standard silver dollar. The act of 1878, we are told, remonetized it; and that, we are told, is the whole of the matter. In fact those two acts are so nearly identical that a common authorship might be suspected. The fate is odd which apportions blessing and cursing inversely to both.

The act of 1873 has been denounced and praised for demonetizing silver, which it did not do. It retired no silver coin from circulation. It caused no coin to be sold as bullion. It withdrew the full legal-tender quality from no silver coined. It did limit monetization to Treasury purchases for fractional coin.

The act of 1878 has been praised and denounced for remonetizing silver, which it did not do. It did limit monetization to Treasury purchases for non-fractional coin. The act of 1873 took a sure way to keep all our fractional silver coin at home. The act of 1878 took a sure way to keep all our non-fractional silver coin at home. * * *

The method of the two acts is identical. Exportation would only be possible at a loss on the silver coined under either act. In both acts monetization is denied, except to Treasury purchases. * * *

The action of the United States in 1834, changing the ratio from 15 to 16 *had forestalled the act of 1873*. To open our mints for the coinage of silver at 16 to 1 of gold while France was coining silver at 15½ to 1 of gold was so to say, equivalent to closing our mints to the coinage of silver for all. Two ratios can not live together face to face, as Sir Isaac Newton, master of the mint, explained nearly two centuries ago.

In the money world from that year, the United States *became a gold monometallic power, and such they have ever since remained both when they did intend to, and when they did not.* * * *

The arguments that anything *newly injurious to silver was done by the act of 1873 are arguments offered only by those who are not quite familiar with their subject*. The act of 1878 is public confession that by the closure of the French mint to the free coinage of silver our act of 1873, not then a necessity, *has become a necessity in that particular*, and so was never repealed, but merely enlarged and confirmed. It was enlarged by adding to discretionary Treasury purchases of silver for the mintage of fractional coin, compulsory Treasury purchases of silver for the mintage of non-fractional coin. *It was confirmed on the point of withholding free coinage of silver.*

LARGE PURCHASES OF SILVER FOLLOW PASSAGE OF THE ACT.

The late lamented Secretary Windom, in his report for December, 1889 (pp. 46-47), said :

It has been charged that the act of February 12, 1873, revising the coinage system of the United States, by failing to provide for the coinage of the silver dollar, had much to do with the disturbance in the value of silver. *As a matter of fact the act of 1873 had little or no effect upon the price of silver.* The United States was at that time on a paper basis. The entire number of silver dollars coined in this country from the organization of the Mint in 1792, to that date, was only 8,045,838, and they had not been in circulation for over 25 years.

Moreover, immediately upon the passage of that act, the United States entered the market *as a large purchaser of silver for subsidiary coinage*, to take the place of fractional paper currency, and from 1873 to 1876 purchased for that coinage 31,603,905.87 standard ounces of silver, at a cost of \$37,571,148.04.

Starting in 1878 with no stock of silver dollars, this country, standing alone of all important nations, in its efforts to restore the former equilibrium between gold and silver, has, in the brief period of 11 years, added to its stock of full legal-tender money 343,638,001 dollars of a depreciated and steadily depreciating metal.

What has been the effect upon the price of silver ?

The value of an ounce of fine silver, which on March 1, 1878, was \$1.20, was on November 1, 1889, \$0.95, a decline in 11 years of over 20 per cent.

In 1873, the date at which purchase of silver for subsidiary coinage commenced, the bullion value of the silver dollar, containing 371.25 grains of pure silver, was about 1½ cents more than the gold dollar; on March 1, 1878, the date of the commencement of purchases for the silver dollar coinage, it was \$0.93, while to-day its bullion value is 72 cents in gold. In other words, there has been a fall of over 28 per cent. in the value of silver as compared with gold in the last 16 years, and of over 20 per cent. since we commenced purchases in 1878.

PREDICTION OF GENERAL GRANT FULFILLED.

The effect of the passage of the act was not, as is well stated by the late Secretary Windom, to decrease the silver coinage or the purchase of silver in this country. It is said that* General Grant a few weeks after he signed the act of 1873 said :

The panic has brought greenbacks about to a par with silver.

I wonder that silver is not already coming into the market to supply the deficiency in the circulating medium. When it does come, and I predict that it will soon, we will have made a rapid stride toward specie payments.

* Silver in the Fifty-first Congress, p. 38.

This prediction of General Grant was almost immediately fulfilled. Never before in history had such large amounts of silver been purchased by any country for coinage purposes. The coinage act of 1873 became a law on February 12. During that year the total silver coinage was \$3,728,129, in the following year, 1874, \$6,851,776; in 1875, \$15,347,893. The next year, 1876, \$24,503,307. The following year, in 1877, \$28,493,045. The total silver coinage during the 5 years following the passage of the act of 1873 was about 83 millions of dollars which was more than the total coinage of silver for 30 years previous and an amount equal at that time to more than one-fourth of all the silver coinage of the country since its organization.

This is shown in the following official statement of the Director of the Mint:

Statement showing the amount of silver coined from January 1, 1873, to March 1, 1878.

Years.	Trade dollars.	Subsidiary silver.	Total.
1873	\$1, 225, 000	\$2, 503, 129	\$3, 728, 129
1874	4, 910, 000	1, 941, 776	6, 851, 776
1875	6, 279, 600	9, 068, 293	15, 347, 893
1876	6, 192, 150	18, 311, 157	24, 503, 307
1877	13, 192, 710	15, 300, 335	28, 493, 045
1878*	2, 916, 500	1, 707, 222	4, 623, 722
Total.....	34, 715, 960	48, 831, 912	83, 547, 872

* To February 28.

During the 6 years following the passage of the coinage act of 1873 26,647,000 trade dollars were issued from the branch mint of San Francisco, from which less than thirty thousand of silver dollars or of full legal tender silver had been coined since its organization in 1854! The amount of trade dollars issued during these 6 years was four and a half times greater than all of the standard silver dollars issued from all the mints since the foundation of the Government.

THE ACT OF 1873 NOT SURREPTITIOUS.

No one can read these facts or examine the official documents upon the subject of the coinage of silver without coming to the conclusion that there was not only no concealment in the preparation or the passage of the coinage act of 1873, but that every effort was made, not only to give publicity to the proposed changes in the mint laws, but also to obtain the assistance of specialists upon the coinage, both in the mints and outside the mints. "The coinage act of 1873," as was said in my report as Comptroller of the Currency for 1876, "simply registered in the form of a statute, what had really been the unwritten law of the land for 40 years."

It was well said by Professor Simon Newcomb in 1869 in a paper upon "The Paris silver commission and the silver question"—

If a proposed law can be debated in Congress for 3 years, be reported several times from committees in various forms, be recommended by the Secretary of the Treasury in three annual reports, finally pass both Houses of Congress and be signed by the President, then remain on the statute books for 2 or 3 years without any one knowing it, and all through "inadvertence," what shall we say of our political system, or of the attention of our people or our legislators to public affairs? Every one who cares for the good name of his country will certainly say, "Try to keep the fact out of the newspapers, and by no means confess it to our neighbors." The plea is as pointless as it is humiliating.—"United States notes," pp. 151-152, Chas. Scribner's Sons, third edition revised, 1886.

THE ACT MAINTAINS THE HIGH CREDIT OF THE GOVERNMENT.

The preparation of the coinage act of 1873 was a conscientious, careful, and, in my opinion, an excellent piece of work. During the whole discussion in Congress *no one present at any time proposed to continue the coinage of the standard silver dollar of 412½ grains.* The question was whether the coinage of the silver dollar should be discontinued or the silver dollar should thenceforth be a subsidiary coin, like the other silver coins then in circulation. The country had been upon a gold standard since 1834. There was no expectation of a decline in silver at the time the bill was prepared. The Director of the Mint, as we have seen, twelve years before the passage of the coinage act of 1873 recommended that we should "cease to coin the silver dollar," and in 1866 in an official report a Mexican dollar for foreign circulation was suggested in place of the present dollar, and about two months before the passage of the act of 1873 Secretary Boutwell renewed both of these recommendations. No one could foresee the action of the German Government, and all our bonded indebtedness and other issues of the Government were morally, if not legally, payable in the gold standard. Good faith was kept with the holders of the public debt and to that is to be attributed the fact that the United States has to-day the highest credit of any nation, a borrowing power of about 2¼ per cent. Every one who discussed the coinage act of 1873, without exception, discussed it from the standard of gold payments.

PERILS OF THE SILVER STANDARD.

This country has, as I have said, been upon the gold standard for 57 years. The greatest financial evil that could befall the United States would be to change to the silver standard. As was recently said by an eminent citizen of New York:

Plagues, pestilence, and famine are, after all, but local and temporary calamities; floods, earthquakes, and cyclones are limited in their disastrous results, but a change in the standard of value affects all existing contracts, upsets all the calculations of business, reaches every family in the land, and converts legitimate trade into speculation and gambling. The experience of mankind has shown that two standards of value can not exist side by side. One or the other will become dominant, and according to the well-known law of Gresham, the poorer money will drive out the better money. Hence the attempt to establish a silver as well as a gold standard, and the conversion of gold into an article of merchandise. Undoubtedly this country can continue to do business upon a silver standard, but inasmuch as silver has for the last 20 years fluctuated very greatly and rapidly in value, ranging between 43*d.* and 60*d.* per ounce in the English market, and as the recent fluctuations have been very violent, it is fair to presume that these changes in value will continue in the future as in the past, deranging the business of countries which are upon the silver basis. In the modern development of civilization, silver has become the money of relatively poor countries, where the standard of living is low, and the wages of labor are inadequate.

The United States to-day is the richest country in the world. Great Britain still surpasses us in per capita wealth, but the difference is now slight, and we shall within the next decade be at the head of the list in wealth estimated per head of population. If any country ought to have a gold basis it is the United States, and the importance of such a basis is apparent, when it is considered that the international transactions of the world are all settled in gold, and must continue to be so settled. At present London is the clearing house of the world, but the time is not far distant when, if we adhere to the gold basis, the seat of financial power will be transferred to this country, and before the close of the present century the clearing house of the world will be in the western continent, unless we deliberately elect to establish an inferior standard of value, involving the payment of brokerage upon every transaction before it can be converted into the universal standard of the world.—[Letter of Hon. A. S. Hewitt to the Committee on Coinage, February 10, 1891.]

STATEMENT OF SENATOR WM. M. STEWART OF NEVADA.

The CHAIRMAN. We will now hear you, Senator.

COMMENTS ON ACT OF 1873.

Mr. STEWART. I will not occupy your time by reviewing the clandestine demonetization of silver in this country. That I have done too frequently in the Senate. If gentlemen desire to know what took place in the Senate on that subject, I have a compilation with facsimiles of the bill and the debates during the discussion, which I used in the Senate in a speech last summer. This compilation avoids the necessity of examining the original records, and it will show that there was no discussion whatever upon the demonetization of silver when the bill was passed. In fact, it will further show that the amendment demonetizing silver was not read as other amendments were in the Senate.

Mr. WALKER. What do you mean by other amendments? All the other amendments or some of them?

Mr. STEWART. All amendments that were proposed to the bill. I take it in detail, but if there is any curiosity to ascertain how the silver dollar was omitted in the Senate, it will be shown in the documents printed in facsimile in my speech, which is in pamphlet form.

Mr. TAYLOR. Was that amendment put on the bill?

Mr. STEWART. There was a dollar in the bill that came from the House. It was proposed to change the ratio to correspond with the ratio of the Latin-Union, which is $15\frac{1}{2}$ to 1. That dollar was in the bill as it came from the House. It was omitted in the Senate by an amendment, which was not read. It does not appear in the *Globe* as having been read or acted upon. It appears on the bill on file as having been acted upon, but attention was not called to it. The discussion that followed after the amendment was passed over related to another amendment, and it assumed that the original text of the bill had not been changed.

Mr. COMSTOCK. Was that a 412 $\frac{1}{2}$ -grain dollar or 384-grain dollar?

Mr. STEWART. It was equivalent to the five franc piece of France, about 359 grains of pure silver.

Mr. WALKER. I asked you whether the remarks you made were for the purpose of showing that anything underhanded was done, or that secret means were used to demonetize the silver dollar. Do you introduce this speech of yours for that purpose?

Mr. STEWART. My purpose is to show how it was done, and to let others draw inferences; let others make charges. I introduce that speech to show how it was done in the Senate.

Mr. WILCOX. Simply to show the facts?

Mr. STEWART. To show the facts with reference to how silver was demonetized, so far as the Senate was concerned.

Mr. WALKER. You have been here all the time, have you not?

Mr. STEWART. I think they did a great wrong in not having it discussed and understood.

Mr. WALKER. Do you claim that anybody knew that there was a great wrong being done in this country? Do you claim that there was a single individual in this country who assisted in this great wrong that you speak of, intending to do a great wrong?

Mr. STEWART. Whether they comprehended it as a great wrong or not, I am not the judge.

Mr. WALKER. Whether they intended to do a great wrong—that is my point?

Mr. STEWART. I did not come here to discuss the intention. I came to give the committee some information.

Mr. BARTINE. Whose business is it what the Senator thinks about it?

Mr. WALKER. He is here as an expert.

Mr. STEWART. I think it was unfairly done. It has been criticised, and was criticised by nearly every person who found it necessary to explain that he did not know it. Whether it was design or negligence, I say that mode of legislation should be criticised. Legislation should be open to public discussion, and understood. It was a dollar of 412 grains of standard silver that was knocked down.

PRODUCTION AND CONSUMPTION OF SILVER.

I want to call the attention of the committee to some facts with regard to silver bullion and silver coin in the world, which I think it is important for the committee to know. As nearly as I can ascertain there has been an accumulation, since the silver question was agitated during the last session, of about 15 or 16 million ounces of bullion in this country. There was no accumulation previous to that date.

This is an anomaly that attracted my attention particularly and caused me to make some investigation. Recently two English Royal commissions investigated the depression of trade and recent changes in the relative values of gold and silver. They also paid some attention to the silver bullion in the world—where it was—and they ascertained that the entire product was consumed.

The London Economist summed up the work done and said that for the past 14 years actual coinage had exceeded production of silver to about 18 per cent. It stated this excess overproduction could be easily accounted for by the recoinage of old silver. But the fact still remained that there was no accumulation of silver bullion anywhere in the world.

As near as I can ascertain (because we can not get at absolute figures on this subject, as neither the Director of the Mint nor anybody else is able to give you the exact production of gold and silver) the annual silver product was above 150 millions, coin value. The difficulty of obtaining such statistics is very great, and there is no Governmental machinery in all the world that will enable us to say that the results we obtain are accurate, because there are various influences always at work to exaggerate the product. Different communities are rivals in their products, not only with respect to silver, but in anything they produce. Individuals who have mines on the market make as good a showing as they can, and the statistics generally claim more than is actually produced. But the last report of the Director of the Mint states the amount of the silver product to be something over 150 millions, coinage value.

Mr. WALKER. One hundred and sixty-two millions.

Mr. STEWART. Mine is the report now in print. Yours is an estimate. The last year's report is not yet printed.

Mr. BARTINE. You refer to the world?

Mr. STEWART. Yes; the product of the world. That would be about 120 million ounces, and I will assume that is about the amount. South America, Mexico, some of the islands, and other countries continue to coin silver, and there is some silver constantly needed for minor coins in Europe. It is probable that the silver coinage of the world outside of Asia and the United States absorbs between 15 and 20 mil-

lion ounces; let us say 20 million. It is estimated that the arts consume about 20 million ounces. I think that is probably a low estimate. Together, these estimates make 40 million ounces used in the arts and in the coinage of countries outside of Asia and the United States.

The United States has been purchasing \$2,000,000 worth per month. For several years silver bullion has been below a dollar an ounce, so that the purchase by the United States of \$2,000,000 worth per month absorbed between 25,000,000 and 30,000,000 ounces; let us say 28,000,000. The coinage has risen as high as 33,000,000. Then we have 40,000,000 and 28,000,000, which make 68,000,000 ounces that are used in the coinage and in the arts. The balance, 52,000,000 ounces, went to India and China and other parts of Asia, thus consuming the whole product of the world.

When we provided for the purchase of 54,000,000 ounces conditions were changed. The 20,000,000 ounces that were used by other countries for coinage, the 20,000,000 used in the arts, and the 54,000,000 purchased by the United States make 94,000,000 ounces, leaving only 26,000,000 ounces for Asia, instead of 52,000,000 formerly taken.

When silver commenced accumulating here I inquired into the cause. If the same amount had gone to India and China as formerly, it would have been difficult for us to have obtained the 54 millions required by the act of 1890. The amount for Asia was necessarily reduced from 52,000,000 ounces to 26,000,000 ounces. When silver went to \$1.20 per ounce it disarranged the finances of India. It cut off her exports, depressed the price of wheat and cotton in that country, and enhanced their price in the United States. Silver rose 30 per cent., which stopped the export of the products of India, because it required 3 bushels of wheat to buy the same amount of silver that 2 bushels would buy before silver advanced.

Mr. COMSTOCK. Why? By raising the prices of their products in India?

Mr. STEWART. Putting down the prices of their products. To relieve the difficulty and to avoid a panic, although it was not officially announced, I have been informed that the Indian government issued paper money. Whether this be true or not, it is certain that when silver went up India and China refused to buy it at its enhanced price.

Mr. WALKER. If they are issuing paper rupees that of course will relieve silver in India to come to this market.

Mr. STEWART. Yes.

Mr. WALKER. Is it not the tendency of every country the world over to issue more paper money——

Mr. BARTINE (interposing). Let the Senator go on.

Mr. STEWART. In China, where the English Government has great power, as her people are the principal traders there, the Chinese were induced to stop purchasing silver on the assurance that that metal would go down in price, and it was stated in the London financial papers that Americans would be shown that the passage of the act of 1890 would put down the price of silver.

At that time it was not clear how it could be accomplished. The result is just as they predicted. The market for silver in India and China was cut off. There is left over from the coinage of countries other than the United States and Asia, and the purchase of 54,000,000 ounces per annum by the United States and what is used in the arts, 20,000,000 ounces, in the neighborhood of 26,000,000 ounces per annum. These 26,000,000 ounces are denied a market and silver is accumulating in New York, and will continue to accumulate so long as our laws remain

the same and England is enabled to control the markets of Asia. England will probably prevent Asia from buying silver until it gets lower than it was before the passage of the act of 1890. This was her threat.

The question is, what can be done with safety in the United States. There are 26,000,000 ounces to be taken up in addition to what is now taken by the United States and other countries outside of Asia and what is absorbed in the arts. If this surplus product of about 26,000,000 ounces per annum were absorbed, all the silver in the world would be at par or about par, at our ratio.

ABILITY OF UNITED STATES TO MAINTAIN BIMETALLISM.

Let us examine first to see whether the United States can take that much. We retire annually and will continue to retire, I suppose, for the next 5 or 6 years, about 20 millions of national bank circulation under the existing law.

Mr. WALKER. The average the last 5 years has been 30 million.

Mr. STEWART. It may not continue at that rate. I do not want to overestimate it. Those 26,000,000 ounces, if silver goes to par, would produce between 30,000,000 and 40,000,000 additional coin currency per annum. Take from that sum the 20 millions to be retired, and we would have an addition of new money each year by free coinage of about 15 or 20 millions. No one doubts that this could be easily absorbed by increasing business and population.

The bill reported by the Senate Finance Committee, and which was approved by the bankers, provided for a rapid inflation. It provided for allowing the national banks to issue dollar for dollar for their bonds. It was supposed that that would practically stop the withdrawal and leave the volume where it is. It was then proposed by that bill to buy 12 millions of silver bullion and issue Treasury notes thereon and also to issue Treasury notes on 5 millions of trade dollars and 10 millions of the uncurrent silver coin now in the Treasury. In addition to that, it was proposed to issue 200 millions of 2 per cent. bonds to be taken up by the banks to increase the circulation. This would have furnished within 2 or 3 months from 200 to 225 millions of new currency. It would not have been a continuous supply; it would not have been kept up. It would have inflated prices only temporarily. It makes no difference where you commence, for if you start down the hill it will be just as bad as ever. Hard times come from contraction.

What we want to do is to keep the supply gradual, to correspond with the increase of population and business. As population increases and the supply diminishes you can only have contraction. It is contraction that we desire to avoid. By adding 15 or 20 millions per annum under free coinage, which we would if Asia would buy no silver, it would take 5 years or more to increase the circulation as much as the Finance Committee thought safe to increase it immediately.

Mr. CARTER. Desiring to have the point you make thoroughly understood, I will put it to you in a different shape to see if I get the idea. You suggested, as I understood, that we add 30,000,000 ounces per annum to the present purchase under existing law, making the purchases 84,000,000 per annum instead of 54,000,000 ounces.

Mr. STEWART. No; I did not make that suggestion.

Mr. CARTER. That 84,000,000 ounces purchased each year would take up all the surplus?

Mr. STEWART. I do not believe in treating it as a commodity, because if you do you will have the same speculative difficulties. If you left

out 1,000,000 and nobody wanted it it would beat down the price of the whole. I want to call attention to this particularly. It is stated that there is a vast amount of silver to come here. It is given as high as 6,000 millions, by some writers in New York, of silver bullion, worth only 83 cents on the dollar.

The CHAIRMAN. Bullion or coin?

Mr. STEWART. They say silver; that there is that amount of silver to come here, and it is stated that all ships will be loaded to bring it here. Let us see if that is true. I undertake to say that all the silver in the world worth less than a dollar for $371\frac{1}{4}$ grains of pure silver is the bullion that has been accumulating since the act of 1890 and immediately preceding it, and the silver coin that is in Mexico, which is covered at the ratio of nearly 16 to 1. They rate silver less than we do. All the legal-tender silver that is in Europe is worth $3\frac{1}{2}$ per cent. more than the par value of our silver dollar.

In other words, 359 grains of pure silver, or about that, are worth a dollar in our money. The silver in our silver dollar, $371\frac{1}{4}$ grains, is worth in Europe about \$1.03 $\frac{1}{2}$, and is being exchanged daily on a par with gold and doing duty as money at the ratio of $15\frac{1}{2}$ to 1, while ours is 16 to 1. The silver money in India is coined at a ratio of 15 to 1 and is rated about 7 per cent. higher than ours. The silver of South America is on a ratio of $15\frac{1}{2}$ to 1, which is the same as European silver. The silver coin in Mexico is valued a little lower than ours.

Two things are stated by the gold men: First, that silver would not advance in price with free coinage in the United States. Second, that Europe would send her silver coin here, which is now worth \$1.03 $\frac{1}{2}$ for the amount of silver in our dollar, and have it coined into a dollar which is only worth 83 cents.

Three hundred and seventy-one grains of silver in Europe is worth to-day in its legal-tender form \$1.03 $\frac{1}{2}$. They say that that amount of silver would be brought here to be put into an American dollar that would be worth 83 cents!

Mr. WALKER. Do they take the 5-franc piece in trade at the same price as our dollar?

Mr. STEWART. Let me get through with this point I am on. If the dollar does not advance above 83 cents the person buying silver in Europe for coinage in the United States would lose just 20 per cent., and if it should go to par he would lose $3\frac{1}{2}$ per cent. in bringing silver here. What reason can the owner have for bringing it here? None in the world. On the contrary this is the fact: It is all needed in Europe. Germany had to stop selling her silver. What she has is used for subsidiary coin and needed there, and so far from diminishing the amount used she is constantly increasing it, and England herself is discussing the propriety of issuing paper on silver to the extent of £5 notes. They can not diminish the silver coin now used by the people.

STOPPAGE OF SILVER FLOW TO THE EAST.

Let me say another thing. If we had free coinage and fixed silver at par at our ratio and the question was settled, there would be no object in the gold men in England preventing China and India from purchasing silver, because they could not then by so doing prevent free coinage in the United States. Asia will certainly enter the market at some time for more silver. The stream of silver from the West to Asia had not been interrupted for more than 300 years previous to the pas-

sage of the act of 1890. China is only waiting for it to fall. They are all waiting for it to go down. They are seeing it go down and see they are able to put it down if they wait.

If we show that we can take the surplus and that they can not change our policy then they will demand their share. Then will come the contest for a division of the supply from the mines. But so long as this question is open, and the legislation of the United States can be controlled by the manipulation of the gold men of England in preventing Asia from taking silver, so long will they put down silver to operate on legislation here. When, however, the question is settled, and free coinage adopted in this country, I fear we shall not get more, but less, silver than we now do.

Mr. WALKER. Will you allow me a question right there?

Mr. STEWART. I will.

Mr. WALKER. Do you think the passage of the free coinage bill will hinder in the least the gold men of England from preventing India taking the silver if they now have the power to do it?

Mr. STEWART. Certainly.

Mr. WALKER. How?

Mr. STEWART. I reason thus, that they are not fools; that they do things from rational motives. They know it is the main argument for the gold men here, and if the gold men did not have that argument they could not defeat silver legislation. If Asia took her usual supply of silver then silver would be at par and we would have the double standard.

Mr. WALKER. What was the mode of their operation?

Mr. STEWART. One mode is said to have been to issue paper in India.

Mr. WALKER. That was the main mode, was it not?

Mr. STEWART. One moment. The other mode was in dealing with China to satisfy them that they could put down the price.

Mr. WALKER. How did they do it?

Mr. STEWART. Told them to wait and they would put it down. I talked with the bankers in San Francisco last fall. Most of the silver that goes to China goes through San Francisco, although on account of English houses. The bankers there told me that the Chinamen said that silver was going down, and they were not going to purchase it at the present high price. I also spoke with several leading Chinese in San Francisco and they said, "Silver goee down; we waitee."

Mr. WALKER. How much silver was sent in 1889 from Great Britain to China?

Mr. STEWART. The amount that formerly went in various ways from the United States and Great Britain (mostly through British houses) was in the neighborhood of 12 millions, coin value.

Mr. WALKER. The statistics show that it was £5,000,000 last year and £7,000,000 a few years ago.

Mr. BARTINE. Those are precisely the figures you gave me yesterday about India.

Mr. WALKER. I beg pardon, it was India.

ADVANTAGE TO ENGLAND OF GOLD STANDARD.

Mr. STEWART. Some make up statistics and others inquire about these things. Which is the most reliable? Free coinage is the only conservative, honest way of reaching this thing. As long as we have silver in the market as a commodity and as long as China and India, who are customers for silver, are under the military and financial control

of Great Britain, so long will the Asiatic market be handled to the disparagement of silver.

After two years of investigation the royal commission summed up this question and said that although it reduced the price of farm products in England it liberated them from paying tribute to United States breadstuffs and made it possible for India and other silver countries to furnish Europe with farm products. That was a great advantage. But above all they could not shut their eyes to the fact that England occupied the relation of commercial supremacy of the world, and anything that would make money cheaper would therefore be prejudicial to England's supremacy.

After Chamberlain resigned there were twelve on the commission, who were equally divided on the question. They were substantially unanimous as to the effect of the demonetization of silver upon the price of that metal. But the six who opposed any action regarded the supremacy of England as a paramount consideration.

CREDIT AND CURRENCY.

I have heard a good deal said here about there being plenty of money by means of checks, etc., and that that would answer every purpose. Whatever else may be done this I lay down as an axiom, whether bills of exchange or checks or whatever credit exists in any form that require redemption——

Mr. WALKER (interposing). Oh, you want to reduce that?

Mr. STEWART. I do not; I want to enlarge it. I want it back to where it was before this crime of the nineteenth century was committed.

Mr. WALKER. Will you name an official or a single man who was interested in that so-called crime?

Mr. STEWART. I am not indicting people now. The crime is too notorious. I am not engaged in a criminal court.

This is the situation. There is in the world in round numbers 12,000 millions of money of various kinds, less than one-third in gold, about one-third in silver coin, and more than one-third paper money. The silver and paper, on the theory of the gold men, are both credit money to be redeemed in gold. Besides our other credit two-thirds of our money on that theory is also credit. You have now more than two for one in credit money. That is your basis. Build up the fabric as you will and that is your basis, because the checks and everything must bear some relation to the medium of ultimate redemption. It may be expanded more at one time than at another. You may expand it, but it must bear a relation to the volume of money which requires no redemption.

The credit money of the world is already expanded out of proportion to the basis of the money of ultimate redemption. There is not a business man in either hemisphere who is not trembling to-day for fear of a collapse. Money is cheap on call because there is no confidence in business.

I heard something said about cheap money. Money is cheap when there is none for business enterprises. When money can not be put out on long terms you find business enterprises failing, because they can not have a steady credit, and everybody is fearing a collapse. I tell you the volume of gold is decreasing. Nearly the whole of it is used in the arts now.

Mr. WALKER. Let me ask you one question.

Mr. STEWART. Yes.

Mr. WALKER. Can you give me the name of an institution in this country that has failed unless it was due to dishonest, or what everybody concedes to be foolish, management?

Mr. STEWART. There may be a difference of opinion as to what is foolish and what is not. I think many good business men have failed, and I do not believe the men engaged in business in this country are any more dishonest than the business men anywhere else.

Mr. WALKER. What do you mean by good men; men who are good or good business men?

Mr. STEWART. I mean the producers. I do not mean the usurers who take collaterals, stay in their dens, refuse to extend credit, and produce panics; I do not mean them. I mean those who have to sacrifice their property and who are engaged in legitimate enterprise. See the men who had to give up their railroad stock for 20 and 30 cents discount during the late panic. Look at the harvest reaped every year by the sacrifices of business men to obtain accommodations.

SILVER AND EXPORTS IN INDIA.

Mr. COMSTOCK. Do I understand you to say that the world ceased buying silver practically because of our act of 1890?

Mr. STEWART. I say that the English operators prevented India and China from purchasing silver because of our act.

Mr. COMSTOCK. Prevented India and China from purchasing?

Mr. STEWART. India and China.

Mr. COMSTOCK. And that throws upon the market how many millions?

Mr. STEWART. That throws upon the market, according to the present production, about 26 millions a year. I can not give the exact figures. Nobody has the exact figures. I think the figures of production are exaggerated.

Mr. COMSTOCK. Your theory is that leaving that in the market of the world is what reduced the price of silver?

Mr. STEWART. Yes.

Mr. COMSTOCK. What assurance have we that if we pass a free coinage act they would not still leave that to be absorbed by the United States?

Mr. STEWART. We have no absolute assurance except the laws of trade. India and China have always been taking silver, and there would be no interest for Great Britain to keep her from taking it.

Mr. TAYLOR. Will they take it at \$1.29 when they refused to take it at a dollar?

Mr. STEWART. They used to take it at \$1.29. They have got to have some. They will buy it for their religious ornaments by and by. When they take any portion of this 26 millions we will then be getting less than we want. It will not be a year after free coinage takes effect before we will find that the supply of silver will be as short as it was before it was demonetized.

Mr. COMSTOCK. I understood you to state that as silver went up the products of the country, agricultural and otherwise, went up with it in price.

Mr. STEWART. That is a fact. It is a curious fact that wheat for the last 30 years has been worth about 359 grains of pure silver per bushel. Wheat and silver have kept company for 30 years.

Mr. WILLIAMS. Silver bullion, you mean.

Mr. STEWART. Yes; silver bullion.

Mr. COMSTOCK. You also stated that the increase in the price of silver resulting from our act of 1890 prevented the exportations of the products of India, agricultural and otherwise.

Mr. STEWART. Yes, sir; it took a third more wheat in India to buy the same amount of silver that it did before the passage of that act, and consequently India was unable to export wheat and that commodity went up in this country. This was an object lesson to the farmers, and they are becoming unanimous for free coinage.

Mr. COMSTOCK. Then the increased price of silver only raised prices in the United States and depressed prices in the rest of the world?

Mr. STEWART. Certainly; it raised prices in the United States and Europe, but took away the advantage India had by reason of cheap silver.

Mr. COMSTOCK. They sell in India their surplus in England just as we do?

Mr. STEWART. Yes. They produce wheat there at a dollar a bushel and sell it for a dollar a bushel and get the same dollar back. We produce it at a dollar bushel in gold and when we bring it back we have a discount of 30 per cent.

Mr. COMSTOCK. When it goes up in this country it goes down in other countries?

CONSIDERATION OF ACT OF 1873 IN SENATE.

Mr. VAUX. The late Comptroller of the Currency has made a statement here of great value upon the act of 1873. If I understood the honorable Senator from Nevada in what he said about legislation on silver, that act was not read or considered in the Senate or House of Congress.

Mr. STEWART. No; I did not say that.

Mr. VAUX. Well, in the Senate. I would like, with your permission, Mr. Chairman and gentlemen of the committee, to ask the late Comptroller of Currency (Mr. Knox) if he has any evidence or record or statement which goes to show that that bill was read in both the Senate and the House.

Mr. STEWART. I have never made that statement. Before you call on him, let me make my statement. The bill was read, as bills usually are, at the desk. When a bill comes up for consideration we generally rely on the chairman of the committee to explain its provisions, and the chairman of the committee was called on to explain what change had been made in the coinage, etc., by the Senator from California (Mr. Casserly), and his replies are in the pamphlet I have referred to. If there is anything else that occurred while that bill was under consideration in the Senate other than what is printed in my speech in the Senate June 5, 1890, it does not appear either in the Globe of that date or in the journal or in the files.

Mr. VAUX. I merely wish to ask the ex-Comptroller of Currency if there is any statement that he knows about, and he says he is the only man who knows about this act.

Mr. STEWART. I do not think it profitable to step aside and discuss the motives for the demonetization of silver. If it were desirable to enter into a controversy, and the committee wished it, and the committee gave Mr. Knox and myself a couple of days to argue it, it might be discussed in all its details. I would then bring the data that I have collected here on this side of the water and on the other side of the water.

Mr. VAUX. I only wanted to know if there were any records we could

appeal to that Mr. Knox could put on the record. I want to save the act of 1873 from any charge of irregularity by showing that it had some consideration and hearing.

Mr. STEWART. The hearing it had is recorded in this pamphlet I hold in my hand.

Mr. KNOX. I understood that it had been stated that this act of 1873 had not been read either in the House or Senate, and there was nothing to show that it had been. I heard that stated since I came here this morning, so I went into the office of the Clerk of the House, who had been looking into this thing, and he referred to his book (McPherson's Handbook of Politics for 1890), and it appears that on January 17, 1873, the bill was read. That was just a month before the bill was passed in the Senate. The record of the Senate says:

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2934) revising and amending the laws relative to the mints, assay offices, and coinage of the United States. The chief clerk resumed and concluded the reading of the bill.

That is a month before the bill passed. I have a date that is of January 9, 1872, when it was read in the House. I suppose there are various other dates when it was read in both Houses.

Mr. BARTINE. Was that bill read in the House?

Mr. KNOX. Yes, sir.

Mr. BARTINE. Or was it taken up under a suspension of the rule, which obviated the reading?

Mr. KNOX. I have the date here. The Record states that on January 9, 1872, it was read in the House.

Mr. WILLIAMS. With this amendment in it?

Mr. KNOX. As far as the coinage act of 1873 was concerned there were no amendments about the dollar at all, except that when it came into the Senate it had the dollar put on. When it came into the Senate it had no dollar in it at all. That is the way it went from the House. When it came back to the House Mr. Hooper substituted the 384-grain dollar. A little while subsequent, and before the bill passed, the trade dollar was substituted for the 384-grain dollar. Mr. Ralston, of California, the cashier of the Bank of California, to please the people of the Pacific coast, fixed up the 420-grain trade dollar and they were very happy to have it substituted for the other dollar.

Mr. VAUX. That is in the Senate?

Mr. KNOX. Yes, sir. There was no dollar whatever in either the House or the Senate except the dollar of 384 grains, and finally the 420-grain trade dollar.

Mr. WILLIAMS. That is no contradiction of the fact that the amendment was not read.

Mr. STEWART. My statement is that the amendment which omitted the dollar, such as it was as it came from the House, was not read in the Senate, and after it had passed you will find, if you look at the discussion, that Mr. Sherman called Mr. Casserley's attention to it as it then existed in the House bill, and not as it was amended. If it had been amended, Mr. Sherman would naturally have called Mr. Casserley's attention to the amended section. There are no proceedings in the Globe to show that it was considered at all. But when you get the bill on file you find that this amendment is marked "agreed to." You will see that it was a very strange omission from the Globe. The other amendments were read and recorded seriatim. I am unwilling to question motives or engage in any discussion here beyond what the record

will show and everyone can read. My object in printing it was to do justice to all parties. There was a great deal of controversy about this matter, and to avoid further controversy I stated that I would compile all the proceedings, so that everybody could have access to them.

Mr. WALKER. I suggest that Mr. Knox be given permission to send here anything he wishes to say on the subject, to be printed in these proceedings.

The CHAIRMAN. I suppose there is no objection to that. I suggest now that the committee go into executive session.

ADDITIONAL STATEMENT OF HON. JOHN JAY KNOX, OF NEW YORK, IN REPLY TO HON. W. M. STEWART, OF NEVADA.

Mr. Knox subsequently forwarded to the committee the following reply to Mr. Stewart in reference to

THE SILVER COINAGE ACT OF 1873.

In the discussions upon the coinage act of 1873, only two dollar pieces were considered, namely, the dollar of 384 grains, and the trade dollar of 420 grains. The statements in reference to the coinage act of 1873, on pages 16 to 42 of the pamphlet entitled "Silver in the Fifty-first Congress," issued by the National Executive Silver Commission, 1890, A. J. Warner, chairman; Francis G. Newlands, vice chairman; Lee Crandall, secretary, are full of misstatements and misrepresentations.

In the original bill prepared by the Treasury Department, the silver dollar piece was discontinued. The bill, after discussion by Senators Sherman, Stewart, Casserly, and Williams, and others, was passed on the 10th of January, 1871, by a vote of 36 yeas to 14 nays. On January 13, and February 25 of the same year it was printed, by order of the House, and again in the Forty-second Congress on January 9, 1872. It was reported by Mr. Kelley, chairman of the Coinage Committee. The bill up to this time had been printed six times, and in each of these bills the silver dollar was omitted.

On page 21 of the pamphlet issued by the National Executive Silver Committee, Mr. Kelley says, in reply to questions from Hon. Clarkson N. Potter, of New York, that the bill then pending "does not make any change in the value of the coin *issued pursuant to its provisions* from the value of the coin which now exists," neither does it "make any change in weight or fineness of the coin, nor does it provide for any new coin." The pamphlet says that Mr. Kelley "was mistaken," and "that he did not understand himself all that the bill contained."

On the contrary, this statement of Mr. Kelley was absolutely true so far as it referred to the gold and silver coins authorized by the bill then under consideration.

On February 9, 1872, the bill was reported for the first time by the Hon. Samuel Hooper, who was then chairman of the Coinage Committee. In this bill a silver dollar of 384 grains was *for the first time* presented to Congress. The bill was again printed on February 13, 1872. Each of these bills provided for the issue of a silver dollar of 384 grains. On May 27, 1872, the bill was passed—yeas, 110; nays, 13.

On December 16, 1872, this bill was reported by Senator Sherman with important amendments. My report* as Deputy Comptroller of April

* Senate Mis. Doc. No. 132, Forty-first Congress, second session.

25, 1870, recommended the discontinuance of the coinage of the silver dollar and the coinage of a commercial dollar for circulation in Oriental countries. The second table of the appendix of that report provided for the coinage of a half dollar, which should contain $12\frac{1}{2}$ grammes, and a quarter dollar, and a dime of the weight of one-half and one-fifth of the weight of said half dollar. These recommendations were incorporated by Senator Sherman in the bill of December 16, 1872, which was printed on that date and also on January 7, 1873. This same bill is printed in full in the speech of Senator Stewart, of Nevada, delivered in the Senate, June 5, 1890.

THE FRENCH DOLLAR OR FIVE-FRANC PIECE.

A long discussion occurred between Senator Stewart and Senator Sherman in reference to the issue of a French dollar piece, and this discussion is given in this speech of Senator Stewart of June 5, 1890. This discussion arose from the fact that Senator Stewart insisted that the silver dollar which was incorporated in the House bill "was equivalent to the five-franc piece."* He states that this dollar of 384 grains "was an international coin at the time of the international convention, and it was circulating as a standard at that time. It was the unit of value in all of the associated nations of Europe, and it was regarded as better than gold."

In this statement Mr. Stewart was mistaken. The dollar of 384 grains incorporated by Mr. Hooper in the bill, was exactly equal to the two half dollars of 192 grains which were then in circulation, as will be readily seen by reference to page 13 of the speech of Senator Stewart before referred to. At the time the trade dollar of 420 grains was proposed by Senator Sherman, a half dollar was also substituted in place of the half dollar then in circulation of 192 grains. A half dollar of $12\frac{1}{2}$ grammes or 192.9 grains was substituted with the corresponding proportions, for the quarter dollar and the dime. Two of these half dollars, being the same half dollars which are *now* in circulation, are exactly equivalent to the French five-franc piece of 25 grammes.

It was never proposed by anyone to issue a dollar piece of 385.8 grains, or 25 grammes which would be equivalent of the French five-franc piece. In all the discussions of the Senate after the bill of May 29, 1872, was reported, all the references to the silver dollar were to the trade dollar of 420 grains or to the two half dollars of 192.9 grains each. The confusion arising in the discussion, as given in the speech of Senator Stewart, arose entirely from the fact that the dollar of 384 grains was mistaken for the equivalent of the French five-franc piece of 20 grammes or 385.8 grains.

INDIFFERENCE OF MEMBERS OF CONGRESS TO SILVER COINAGE EXPLAINED.

In the pamphlet of "Silver in the Fifty-first Congress" some of the most prominent members of Congress are quoted as saying that they "did not know anything that was in the bill," and that they never even "read the bill." The bill was a long codification of 30 pages of the Mint laws, but the changes proposed, and particularly those changes in reference to silver coin, were plainly stated by Mr. Hooper to the House.

The reason why so little attention was given to the subject of a change in the silver coinage is plain. The full legal-tender quality was taken

* Speech of Hon. W. M. Stewart, Thursday, June 5, 1890, p. 48.

from the subsidiary coinage in 1853, and not as much as 2 millions of the silver dollars, which was the only legal tender after that date, was coined from 1853 up to 1870 when this bill was presented to Congress. Moreover, these 2 millions of silver dollars were not coined for the purposes of circulation, but as was stated in the speech of Mr. Hooper, they were coined chiefly for the convenience of manufacturers of silver ware.

The country had been really upon the gold standard since 1834. The mint in San Francisco was established in 1854, and only \$29,700 of full legal-tender silver coins were issued from that mint up to the year 1873. *Every business transaction on the Pacific coast was upon the gold standard.* The Government officers, during the war of the rebellion, were paid in greenbacks, which were immediately converted into gold coin; the legal-tender notes did not circulate; neither the coin certificates nor the silver dollars to-day circulate to any extent upon the Pacific coast. All their payments made in money of any kind are virtually *made in gold*. All the promissory notes given upon the Pacific coast to-day *are payable in gold coin*, and all contracts are made payable in gold coin.

There was indifference shown by Senators and members of Congress on the Atlantic coast in reference to the provisions for coinage contained in the act of 1873, but the indifference was still greater by the representatives of the Pacific coast. The discussions in Congress show that their interest in the bill was chiefly in the *refining of gold* and the removing of the coinage charge *from gold*, and finally in the issue of a trade dollar in place of the then existing dollar of 412½ grains. The proposition to issue the trade dollar originated upon the Pacific coast, and was discussed many years before the passage of the coinage act of 1873.

I have shown that it was proposed by Governor Pollock, Director of the Mint in his report of 1861 and by myself in my report to the Secretary in 1866. There was absolutely nothing new in the changes which took place in the bill under discussion, for these changes in the silver coinage had been recommended and frequently discussed in the financial journals of the Pacific coast. It was generally believed that the Mexican dollar was issued at a profit. It is well known that it was frequently sold in the East at a premium of more than 8 per cent. and those who gave attention to the subject on the Pacific coast were interested in the issue of a trade dollar, and entirely indifferent as to the legal tender quality of all the silver coins. No one on the Pacific Coast in the press or elsewhere said one word on the subject until after the great depreciation of silver in 1876. Gold was and is the standard there and neither Senator Stewart nor any of his colleagues, once lifted their voices in Congress for three years in favor of the silver dollar or in favor of full legal tender silver coinage.

LETTERS AND MEMORIALS.

The following memorials and communications addressed to the committee were ordered to be printed, with the hearings :

Memorial of Arkwright Club.

BOSTON, *January 21, 1891.*

The Arkwright Club, an association of cotton manufacturers and allied industries of the New England States (consuming over one-third of the cotton used in the country, and representing over 100 millions of capital employed, with pay rolls of over 30 millions annually), at a meeting held this day adopted the following resolutions:

Whereas the Arkwright Club views with distrust and grave apprehension the passage of the free silver coinage bill by the Senate of the United States;

Whereas it is believed that such legislation will destroy the relation of silver to gold, and until a common ratio of the two metals is adopted by the nations of Europe and the United States will result in the withdrawal of gold from circulation and thereby bring widespread disturbance, if not disaster, to business;

Resolved, That the Arkwright Club do earnestly protest against the passage of the Senate free silver coinage bill by the House of Representatives of the United States.

Resolved, That a copy of these resolutions be sent to the chairman of the Coinage Committee of the House of Representatives, and to each of the New England members of Congress.

HENRY F. COE,
Secretary.

Memorial of Manchester Board of Trade.

MANCHESTER, N. H., *January 21, 1891.*

At a meeting of the board of trade held January 20 the following resolutions, introduced by Hon. H. K. Slayton, were unanimously passed:

"Whereas a measure authorizing the free coinage of silver is now pending before the Congress of the United States: Therefore be it

Resolved, First, that we are opposed to the free coinage of silver by our Government, for the reason that we believe that it is impossible for our Government alone to maintain the price of silver without the help of other commercial nations, and that the first effect of the free coinage of silver would lead to the hoarding and exportation of gold and leave us on a silver basis of values.

"Second, That we favor the appointment of a commission by our Government to meet commissioners of other commercial nations, with a view of arriving at an international agreement in regard to the coinage and value of gold and silver coins and, if possible, by the united strength of all commercial nations to endeavor to maintain the value of both silver and gold as legal tender.

"Third, That a copy of these resolutions be transmitted to the President, the Speaker of the House, the chairman of the Coinage Committee and our Representatives in Congress."

E. J. KNOWLTON,
Secretary,
Pr. E.

Memorial of Chicago Board of Trade Members.

CHICAGO, *February, 3, 1891.*

To the Coinage Committee of the House of Representatives:

GENTLEMEN: We, the undersigned, members of the Board of Trade of the City of Chicago, do hereby respectfully protest against any further legislation by Congress in regard to silver, believing that further legislation of the subject will be injurious

to the business and commercial interests of the country and tend to retard the increasing confidence of the business world and the speedy return to a healthy state of affairs so much desired by Congress and the country.

- H. W. Rogers, A. Sudel, Wm. T. Baker, H. H. Aldrich, Chas. B. Congdon, William Dunn, Chas. T. Raymond, Jno. S. Younglove, N. W. Roloson, A. S. White, W. B. Robertson, D. G. Logan, Geo. D. Boyden, John Cudahy, J. G. Beazley, John Dupee, W. Macfarland, Geo. T. Baldwin, N. Vankirk, C. B. Eggleston, Geo. M. Howe, Walter C. Hattly, F. B. Sherwood, N. T. Wright, Robert Stobo, Arthur Orr, J. H. Dwight, John S. Hannah, Chas. Counselman, Geo. G. Parker, Abram Poole, A. N. Young, Wm. L. Kaeschell, Adolph Gerstenberg, T. H. Pank, M. L. Falk, C. E. Remer, Gustav A. Hofmann, Albert Seckel, T. W. Eschenburg, O. T. Blair, Erich Gersterberg, Edw. K. Howard, Eugene A. Rang, J. N. Voorhees, J. R. Grafton, Philip W. Datu, P. H. Rice, R. M. Pollock, D. E. Richardson,
- E. W. Speck, A. L. Somers, Henry Rang, W. McDougall, Thomas Lynch, jr., W. S. Seaverns, James Crichton, T. C. Ledward, M. Pennman, E. W. Wagner, Dan C. Moeller, George W. Stretts, Chas. H. Requa, S. A. Scribner, H. D. Austin, C. H. Thayer, J. B. Frost, R. S. Lau, J. C. F. Merrill, Edmund Norton, Lloyd J. Smith, C. D. Michaels, Chas. Lichtenberger, jr., L. C. Hack, H. F. Donsman, Wm. G. Apfel, W. Bellinghauser, F. S. Hanson, H. N. Sager.

Letter from E. Bach.

ABERDEEN, S. DAK., January 30, 1891.

Coinage Committee of the House of Representatives, Washington, D. C. :

GENTLEMEN: I see by the daily press that you ask questions and invite gentlemen to come before you to answer them and give their opinions regarding the advisability of free coinage. I presume that does not mean me, but I make bold to write you. I have been somewhat of an investigator of financial, industrial, economic, and political questions, and you are well aware that it has got so that anyone, any cross-road philosopher, who has not gumption enough to drive an ox cart successfully, is, under this new dispensation of reform, able to solve the most difficult financial problem, and I am perhaps no exception. I am an American citizen, an almost extinct species, stand above the turmoil of party and partisan interest.

I have watched these discussions closely and must say, though it may seem egotistic, that the financial question has not been discussed from the right standpoint. Either the men who discuss it are dishonest or ignorant. I have studied our Government statistics considerably and am surprised at the perversion of those by the different speakers, whether from design or ignorance I am unable to say, but when one honorable gentleman gets up in one of the branches of Congress and expatiates on the amount of indebtedness under which our Government groans, and in that statement states the debit side and forgets to take off the credits to the tune of \$700,000,000, it smacks of either ignorance or demagoguery.

This is a practical world. Ethics, morality, abstract right, and wrong, do not enter into the money question, but it is one of practical expediency, and the practical man who can put cause and effect together, who has no regular hobby, but tries to be above that, who is competent to figure out results, is the man who ought to be allowed to do it.

The first question regarding silver as an article of usefulness, of value to society is: What constitutes value? What gives a real value to anything, and how do silver and gold stand in the answer which must be given to this question? Nothing has any value to or for human society, except such things as are either a *necessity* or a *comfort* of life. Anything which does not possess either of these qualifications is dross and valueless. It is birth and death at both ends of life, and all which we need between is the thing which has value. And there can be no other criterion of value. Then, in order to give it value, the thing which conduces to these requirements must also be wanted or needed. While a good dinner is the most essential thing wanted by a hungry man, and practically its value under circumstances could not be measured to him by a money value, a second dinner after satisfying his hunger would be practically worthless and of no account whatever, so a second qualification of value must be a demand, a necessity, for a thing. A diamond has a value under certain circumstances, an artificial value, for adornment, but no practical value, only so far as it can be used in producing things by its mechanical quality in the arts and mechanics.

How do the precious metals stand in the category of values on this basis? I think I can safely say that so far as they are a necessity to human life is concerned, they are simply worthless, and with a very small exception, were it not for the artificial value which the human race has given them by using them as a medium of exchange, they would not be produced in very large quantities, or if so, they would have to be cheap enough to come within the reach of the means of the masses, and then be used for utensils, etc., the same as other metals. There is not a common metal known without which we could get along as easily as without these two precious metals. Without iron we would soon revert into the barbarous condition of the stone age of our ancestors. Tin, copper, lead, and the other useful metals, are a necessity to a civilized life, the precious metals are handy, for ornamental, and to a small extent to useful purposes, but should they be obliterated we would miss them less than any of the cruder ones. So it follows that the value of these precious metals is chiefly artificial—not real—and that artificial value is given the same by the fact that they have been used as a medium of exchange, and the value fixed by a kind of tacit agreement among the nations who have commercial intercourse, and these metals then will have that value just as long as the nations who use the same as money accept a certain quantity of these metals in exchange for the things which have a real and intrinsic value. When the producers of the articles which have such intrinsic value cease to accept either of such metals in exchange for the articles of necessity, and value, then the value of the one so refused drops down to such a value as it has intrinsically as a metal, and that will be in proportion to its utility to mankind, and the amount which will, or can, be used.

During the early times—during the infancy of the human race, before scientific discoveries, before easy and quick transportation, before the settlement of the mountainous regions wherein silver is deposited in inestimable quantities, only awaiting the miner to uncover it, before the smelting and separating of ores was as well understood as now, in fact, before as much silver was discovered and produced as now, it held its price. But through the developments of late years it was beginning to be produced in too large quantities to be absorbed. European nations are organized on a different basis from ours. The policies of those nations are controlled by men who have made a study of things, men who are intelligent enough to deduct effects from causes. These men are not dependent on a party vote for a position, and hence expediency does not enter into their counsels as much as here. The finances of Europe are governed more on sound principles than ours, from the fact mentioned before, that the intelligent, the educated, govern them. In this country the unthinking are in the majority at the polls. You gentlemen can not do as you wish, but you have to follow the wishes of your constituents. If you do not, your political life is short. The masses do not think. They have neither the time, nor many the ability to study the questions, and hence they vote and demand things without understanding what they really want. The most rabid free coinage advocate will tell you to-day that he wants more money. That is a disease which is deep-seated with the best of us, and the party who promises more money is the one they are in favor of. Free silver is said to give them more money—more money is what they are after, and so they cry for free silver, regardless of, and ignorant concerning the results of such a measure.

The European nations being controlled independent of the masses, those who have the control saw many years ago that silver must depreciate, and therefore they began to demonetize it as far back as 1869, and fully completed it in 1873. There is not a nation of Europe to-day who coins any silver for legal tender, and in the countries which have nominally a silver standard even, they coin no new silver and are very anxious to dispose of what they have. The trade of the commercial world is carried on on a gold basis, anywhere and everywhere. The bushel of wheat which we export to England governs the price of every bushel consumed at home, and so through all the list, and hence these European and such other nations who are practical, try all in their power to get to a gold basis, and for that reason they dispose of all the silver they can as fast as possible.

If you will look in the report of the Director of the Mint you will find that the world's coinage of silver during the year 1888 was \$149,000,000, and that Europe coined less than \$14,000,000 of that amount. The balance was coined by such barbarous nations, as India, some \$51,000,000; the United States, some \$31,000,000; Mexico, some \$27,000,000; Japan, \$10,000,000, etc., showing plainly that Europe has got through with silver as money. The question of a double standard was brought up in the Reichstag at Berlin a few days ago, but it was promptly squelched. They want no silver, and are content to let well enough alone. Since the demonetization of silver by these nations, and since we have passed the Bland bill, our Government has bought about \$500,000,000 of silver, and yet it has depreciated in the world's market as metal some 20 to 30 per cent, and were it not for the continuous agitation, and the hope that it will become money again in our country, and by the continuous boosting, and booming it gets from our silver producers and speculators, it would to-day be worth below \$1 an ounce, and perhaps decline down to a point where it could be used as

metal in household utensils. It will reach that point after a while, no matter what is done. The day is coming when it will be mined cheap enough to be within the reach of the masses, or it will not be mined at all.

If my statement is true, then silver has reached the point of which I spoke of before; that is, the price being simply artificial, on account of its being used as money, when the time comes that it will be dropped as money the artificial value which the use as money gave it would drop also. This point has now arrived, and nothing except the remonetization of silver by the commercial nations of Europe can save it. Now, let us see what prospect there is for that consummation. It is now practically 20 years since that demonetization took place. Every effort made by us and others to bring that condition about has failed so far, and we are no nearer the desired object than at the start. In the mean time these 20 years have adjusted the business of these nations to the single standard, and there is not the least necessity, from their standpoint, to change the same; there is no desire whatever to do so and no probability of its being done whatever. Is there, then, something which we can bring to bear on these nations to induce them to change the matter? Can our trade relations with them influence them? In 1888 our population was about 60,000,000, our exports and imports were \$1,400,000,000 in round figures. England had about 36,000,000 population; their combined exports and imports were something like \$3,700,000,000. Europe has a population estimated at from 325,000,000 to 350,000,000, and their combined exports and imports were for that year close to \$11,000,000,000. When you take into consideration that at least 35 to 40 per cent of these are neither manufacturing nor commercial people to any extent, you will see how much those remaining are our superiors in trade and productiveness, and it is not likely that they will disturb their established monetary relations very much to please our whim.

There is no doubt but what they would like to unload their surplus silver onto us very much. So you see there is nothing, commercially, which we can bring to bear on them to induce them to make the change. In fact, they do not care very much for us anyway. We cut no great figure in the trade relation of the world. The figures given show that plainly. Besides all this it is beginning to dawn on the intelligent that the silver—the single silver standard nations—are not the ones to pattern after Austria and others in Europe, China, India, etc., in Asia. We do not want to range ourselves by the side of them. See the Central American republics, who did not demonetize silver when the rest of the world did. Where are they financially now? We are an exception so far. Our population is so large, our resources so unlimited, that we have not felt the effect of this storage of silver as yet, but the day when we shall feel it is not far off. If free coinage is a fact the opening of the gold rooms is not far distant.

Permit me to draw attention to another fact in silver circulation, that there has never been a dollar in circulation per capita since dollars were coined in the United States Mint. There never will be. Under our development, under the advance of the world, money is going to be less and less of a factor in business, and according to the amount of business a less per cent of money will be used, and what is used will not be silver. Silver will never again circulate as money. It is too heavy, too cumbersome; people will not, can not handle it. If silver was sent out here to purchase grain with during the grain season there would have to be extra express cars. People do not want it, will not use it. So it is put in the United States Treasury, ostensibly as collateral. But collateral means security. In depositing collateral it is generally understood that the same is worth in excess of the thing against which it is deposited. Silver ranges from 75 to 80 per cent in value on the dollar on which it is said to be collateral, and as it is subject to very great variations in value, is it good collateral? If 75 to 80 per cent had been good collateral for a dollar the panic last fall would not have been so hard on the brokers. The fact is that the silver stored in the Treasury vault is not collateral. It is a false representation to so call it.

Now let us see what the silver stored there is actually. I figure that there is now stored under the shadow of the Goddess of Liberty in Washington about 8,500 tons of pure silver. That would load about 600 ordinary freight cars. If rails were made out of it, the same weight and length of Bessemer rails as used out here, this mass of silver would equip a railroad, switches, etc., of pretty close to 100 miles. If the July law—the purchase of 54,000,000 ounces of silver—should remain in force for the same length of time as the Bland bill, now about 13 years, we would have there an additional store of silver of about 22,000 tons, and I figure these tons ad vordupois, not troy—actual tons as they are used in everyday practice in business. This pile would build something over 200 miles more railroad with silver rails and load some 1,500 cars.

Now let us see what we have given for this store of silver; what good it is to the country or to mankind, and of what use it was to place it there, and, further, what shall ever be done with it, and whether the human race is better or worse off for having created a demand for this article, for having expended the amount of human effort which was required to produce this. My statement was, and I can not be successfully

contradicted, that nothing had any value unless it was something which was actually necessary to support human life or to make life more pleasant. This is a practical world and not an ideal one. Capital is unconsumed labor, but all unconsumed labor is not capital. If labor is expended on something which is of no use to humanity, it is not only not capital, but it is a waste of capital, and if such waste is persisted in it may even become a crime against humanity. Mankind ought to be, if it is not, a unit. Every effort by the individual or by the whole ought to be so directed as to benefit the whole. The whole is made of the individual, and so every individual's effort ought to be so made as to benefit the whole. Every effort, every expenditure of muscle, of intellect, which does not work towards this end is waste, and the originators or supporters of this waste commit a crime against humanity.

The sole aim of life is to produce something in order to enjoy the consumption of it, and the efforts of individuals, of communities, and of nations is to produce all needed at present and to save up enough for further use, so as to make future life or contingencies easier to provide for. And this object is accomplished just in the ratio that the efforts, the expenditure of intellect and muscle, produce these things which are actual needs, and as little as possible of that which is not needed, and therefore waste. How will this store of silver stand under these requirements? If we keep piling it up it is only a question of time when we will have to stop. There are now about \$1,200,000,000 of legal-tender silver in Europe which is almost a dead weight, a dead loss, to that country because it is not being used, it can not be sold, and not being utilized in any manner, these people are just that much of human exertion poorer. If the effort which it took to produce this silver had been expended in building houses, in producing clothing, food, or any of the necessities and comforts of life, their population would be that much more comfortable, and if it had been expended in building houses or in some other kind of permanent improvements, future generations would be benefited. Now this total expenditure is a dead loss. There is nothing into which silver can be made which humanity needs. No one wants to purchase the same, and these people are only waiting for us to legislate in obedience to the insane demand of our unthinking partisan people to unload it on us.

And so the more we pile up the more human effort we waste. There will be a time when we shall realize that we have too much silver, and then we shall have to stop production. Silver can not be wasted. Every ounce which is produced is produced for all time, except it is sunk on ships, and there will be means discovered to fish up all which has ever been sunk. Some one will invent some light with which they will be able to search at the bottom of the ocean for lost ships. So the longer we produce it, and the more there is produced of it, the cheaper and the more worthless it will be when the bubble bursts. The United States of America, unless she ceases piling it up, then, will find herself with billions of dollars of a useless thing on hand, called silver, which will be of no earthly use to any one, but in that pile will be the labor of untold days, a wasted effort, instead of this labor having been put into a shape in which it was useful to the human race. This is no fancy picture. So far there is nothing in the line of manufactured articles, of very useful articles, which can be made of silver, to any extent. Copper is a great deal more useful than silver for most things which are used by humanity, and the price to-day is 13 cents a pound. Silver is worth to-day about \$17 a pound. It is strange, very strange, that apparently intelligent people can not realize this condition. It would certainly be wrong to charge every silver advocate with dishonesty, political trickery, or to say that it is just used to attain political ends; but no matter what the reasons are the effects will be ruinous just the same.

There is too much silver owned now by the United States, and a halt should be called at once. I need not go through the argument that it will take our gold out of circulation. Every intelligent, unprejudiced man understands that and can figure it out for himself. If that is the case, if we shall have to pay inflated prices for these articles which we must import, if silver money here will be full legal tender as it is intended; for 75 to 80 cents' worth of silver to be forced as a dollar; it will follow that whatever we shall buy abroad will have to be paid for at the gold rate, which will bring about inflation. All articles will be higher. This will have the effect of lowering the purchasing power of every dollar which is now saved up, and will make terrible inroads on the savings of the poorer and middle classes. If the silver dollar has only the purchasing power of 75 or 80 cents in gold, every dollar in our savings banks, every dollar of trust funds, every dollar of life insurance held by all classes, every debt owed in the United States, will have that much less purchasing power, and hence the poorer classes, for whose interest this silver excitement is said to be brought about, will be that much poorer. It will reduce the savings in all the above classes whatever percentage silver will be less than gold, because all these moneys are saved up for the benefit of families, to provide for them when the ordinary means of support for some reason fail, or in life insurance, after the death of the breadwinner, and under the new conditions brought about by silver, the purchasing power of these funds will be curtailed just that much.

It is said that the debtor class will be benefited by inflation. Superficially, we might admit it—in reality it is not so. If the debtor class paid their debts, and made no more, it would be true; but inflation brings about speculation, speculation leads to debt-making, and when the bubble bursts, when the day of reckoning comes, finally it will be found that the debts are larger than before, and that it will be harder to pay the second under sound financial principles than it was to pay the former. The capitalistic class loses nothing, because as fast as the debts are paid with this inflated money he loans the same again, and under inflation at larger rates of interest, and finally he gets his money in the real money of the world, and is not out anything unless he has to take property at inflated value.

Another reason given for the necessity of free coinage, and the indiscriminate use of silver, is the "insufficiency of the circulating medium." There is no scarcity of money in our country, but there is a scarcity of business, a lack of confidence. Interest rates on anything which is security never were so low in the history of the United States as they are now. Government and municipal bonds are drawing a lower rate of interest than ever before and are sought after even at the low rates.

Give us business and we shall have circulating medium. Money can not be made. Money must make itself, must have something tangible behind it. It must not be made of an article which is as liable to fluctuations in prices as silver. Legislation creates no permanent value. Commercial laws establish themselves—are as stable as the laws of nature almost. They are established by conditions which are not under the control of any particular man, set of men, communities, or even of any one nation, but they are the outcome of conditions produced by the combined action of the entire commercial world, and that action not a voluntary or arbitrary one, and as conditions bring about and establish these laws, they will only change when the conditions change, and such a change is way beyond and above the office of any legislature, or even all the combined legislation of the whole earth. Circumstances, natural conditions and environments, bring these things about, and they could not be changed without detriment to all. All the legislator is capable of doing is to study these conditions and environments thoroughly, fully understand them, and then fall in with them in the proper and natural way, and aid them in working out the best interests of those for whom he legislates. If money is really needed there are many ways in which it could be produced besides salting down so much labor and human effort in a perfectly useless thing, called silver, and for which there never will be a return.

This country ought to produce and export \$1,000,000,000 worth of manufactured articles instead of about \$130,000,000 to \$140,000,000 only, and not let a little island with a population aggregating only 60 per cent of ours do ten times as much as we do. That would solve the money question for us. Our people are laboring under an enforced idleness, the damaging results of which are just beginning to make themselves manifest. We manufacture as much as will be consumed by 63,000,000 people, and then practically stop, while the principal manufacturing nations of Europe practically manufacture the needs of the rest of the world—some 1,400,000,000 people. The result is that we do not even pay for all the products which we must have from foreign countries, and from those countries which do not manufacture with manufactured goods, and we pay our balances with the products which are raised by the pauper labor of Asia, South America, and partly of Europe. We raise wheat in competition with the naked Indian, the frugal Russian, and half barbaric Hungarian. Our farming population have behind them ages of inherited intellect, development, intelligence, yet they are put down to the level of these barbarians, and have to compete with them instead of being in the workshops, the inventor's place, and become producers of these things which are beyond the capacity of those barbarians, and semibarbarians. This is never taken into consideration by our rabble when they demand free coinage. Brazil alone draws from us \$50,000,000 to \$60,000,000 a year indirectly. We allow the three manufacturing nations to sell them all the manufactured articles the Brazilians consume, and we pay them with goods raised in competition.

But we are trying to be smart and waste our time in figuring out how we can make a few cents worth of an article called silver into a dollar. At the same time we allow billions of money, which by right belongs to us, to slip away by not manufacturing. We have more of everything than nations on the same latitude and longitude—more genius, more raw materials, more railroads, more seacoasts, more harbors, more people than any other civilized nation, but we do nothing towards getting what we ought to out of these advantages. Our people are idle. A large percentage of our population has to live by their wits, trying the best they know how, how to get something away from the fellow who produces it, nothing to do—no manufacturing only for our few home people, no shipping, farming overdone—getting down on our marrowbones before the effete monarchies of Europe and imploring them to "please buy our pauper-raised farm products"—that is overdone—these nonproducers would go to work if they found work, but it is not to be found, simply because we have put a plank wall about us.

This is "American statesmanship," forsooth, collecting last year from the people \$105,000,000 more than required, squeezing the last dollar out of the consumer, after paying extravagant pensions and all other expenses of Government, having that amount left over, not having any use for it, and finally paying off low interest-bearing debts which are not due till 1907, and paying nearly \$21,000,000 in premiums for the privilege of paying a debt not due, and which could be refunded at a good deal lower interest than the private borrower pays. This is one contraction of which our free-silver shouter has not heard. He damns the national banks for contracting the currency, but has not realized the fact that we have paid about \$75,000,000 a year for the purpose of paying a national debt which was not due, a thing no other nation on the earth does. He would rather listen to the genius who tells him that silver must be bought because more people on the earth use silver than gold. The wise generally die young, and I am surprised that the fellow who invented that argument ever lived to his present age. He never tells the dupes to whom he knows he is talking that the 350,000,000 of European people had an export and import trade of \$11,000,000,000 the same year that the Chinese silver-using population of 382,000,000 had an export and import trade of only \$225,000,000. And so all other silver-using nations are behind. The place for the genius who invented that is among the Chinese, or among the Hottentots. That would just about fit his capacity.

So, gentlemen, please take in consideration the above facts in your forthcoming report.

The more silver this nation will acquire the poorer we will be, and it will end in disaster to every interest. There is no reason for the demand for silver. Our finances are all right now, and all they need is to be let alone. Increase our trade relations—I do not care how you do it—but do it; do it quietly and slowly, as well as surely. Strike the insane shipping laws from our statute books—they are a disgrace to us. Let any American citizen buy a ship wherever he can get her cheapest, and put her under the American flag. Put a United States commercial agent in every city in the world and drum up our trade. Let us take our rightful place among the nations, and our money matters are settled. Pardon the intrusion.

Respectfully, yours,

E. BACH.

Letter of John W. Hedenberg.

RIGGS HOUSE, Washington, February 5, 1891.

To the Committee on Coinage, Weights, and Measures:

GENTLEMEN: Observing that some members of your committee desire further information bearing upon the pending silver question, permit me to ask your careful consideration of the doctrine of joint legal tender, set forth in the following extract from Sir James Steuart, an eminent political economist of the last century:

"Fifth, or last of all, to oblige all debtors to pay when required one-half in gold and one-half in the silver standard."

* * * * *

"The last expedient of making debtors pay half in gold and half in silver would remove every inconvenience, provided that a similar regulation were made at the mint and at the Bank of England; appointing all bullion to be delivered in both species at the mint; and all payments to be made in both species at the bank; and also provided that the same regulation should be observed in all bargains of sale as often only as required. This would so blend the value of the two metals together as to make them virtually but one."

The chapter containing this doctrine of joint legal tender, taken from Steuart's *Principles of Political Economy*, London edition of 1805, may be conveniently seen in Senate Ex. Doc. No. 58, Forty-fifth Congress, third session (designated also the *International Monetary Conference of 1878*), at page 719.

Referring to the financial principle in this quotation, I desire to suggest an amendment to the pending silver bill, and would ask the committee to consider it fully. The following language added as a section to the present bill would be suitable:

That the standard gold and silver coins of the United States, when jointly offered in payment by any debtor, half in value of gold coins and half in value of silver coins, shall be full legal tender for any public or private indebtedness hereafter contracted; and that no creditor shall be required to accept as full legal tender said gold coins alone, nor said silver coins alone, nor in other than the above proportion, for any indebtedness contracted hereafter.

This Steuart principle takes from the debtor the option of paying with that coin, whether gold or silver, which, at the time, and considered as a commodity, may be less valuable than the other; and it is this option that leads to hoarding the coin sup-

posed to be the more valuable, and out of this option comes the principle of the Gresham law, said to be as certain in its action as the law of gravitation, but which by this principle would be largely, if not wholly, suspended.

Under such a principle an increase or a decrease in the value of either of the precious metals would be compensated by a corresponding decrease or increase in the value of the other; so that the measuring of values would be as substantially uniform as if our legal-tender money were of only one kind of metal.

As this principle would bind gold and silver together as legal-tender money, there could be no collapse to a silver standard as feared by many persons; and the disasters that others claim would follow the prevalence of an exclusively gold standard would be impossible.

If this principle should be adopted the result ultimately would be that banks would keep their coin reserves in nearly equal parts of each kind of coin; that the redemption funds for United States Treasury notes and certificates would be held in like manner; that clearing-house balances would be adjusted on this basis; that the entire business of the country would rest on the joint, equal, and concurrent use of both metals as money, and that we then would have true bimetallism, real bimetallic money.

Such use of gold and silver in making payments would be *unity* of money, with *duality* of coin; or, in the language of Sir James Steuart, "would so blend the value of the two metals together as to make them virtually but one."

As the proposed amendment would apply to only future indebtedness there could be no charge that it would impair contracts, and it would be perfectly equitable as to all contracts based upon it.

Yours truly,

JOHN W. HEDENBERG.

Letter of Mr. George Rutledge Gibson.

NEW YORK, January 30, 1891.

Judge WICKHAM, *Chairman Committee on Coinage, Weights, and Measures,*
Washington, D. C.:

DEAR SIR: With your kind permission I should like to add a few points to my uncompleted and hurried remarks before your committee on the 29th instant.

First. I would give as an additional reason why such institutions as that of the Bank of France are not likely to part with their silver is that it, in common with gold, is held against note issues as well as against deposits.

Second. I would object to the theory that because the present bullion value of the silver dollar is only about four-fifths that of gold that in the event of free coinage depositors, receivers of fixed incomes, capitalists, etc., would then get in consequence of the prospective silver basis only four-fifths of their present values. This proceeds upon the false theory that an increased use and valuation of silver by this country would not advance its bullion value throughout the world. An increased use of paper money does not advance the intrinsic value of that material, but this is, of course, untrue of the precious metals. The increased silver purchases of this country have had a powerful effect on the bullion value of silver, but it is small compared with the effect upon which an unlimited use of this metal at \$1.29 would have.

Third. We are a creditor nation, and except when Europe gets into a critical condition through its inadequate gold reserves we seldom have occasion to export any of our money. Europe owes us for breadstuffs, petroleum, cotton, etc., and we can suffer no drain on our circulating medium. We shall, as a rule, receive large amounts of money, either in gold or silver, from Europe to settle trade balances. If gold were hoarded and rose to even a small premium, Europe would pay her debts to us in that metal rather than in silver.

Fourth. I do not believe gold would go to a premium even if a few timid people did hoard it, because there would be no demand here for gold for export to pay commercial trade balances, and therefore holders of gold would have no buyers to support a premium.

Fifth. Our gold is now held by the Treasury and by the banks. The larger part of the Treasury gold is already partially a dead fund and a hoard. The gold held by the banks is owed to depositors who as a rule use their deposits as a basis for their credit and business operations, and they can not draw out their balances without going out of business.

Sixth. If without gold going to a premium it merely left the country, silver coming in to fill the vacuum, the worst that could possibly happen to us would be what gold men predict—a silver basis. In that event the argument that only second-rate na-

tions use silver would not apply, for we certainly are one of the greatest nations in the world. We would have no trouble conducting our operations with the gold nations of Europe who depend more upon us than we upon them. It would bring silver up in value and dignity, and at the same time place us in close touch with all the Central and South American States, Mexico, China, and India, for whose trade Germany and England compete. We would be in a less exposed condition as to the introduction of the so-called "cheaper money" than was England with its sole gold standard after the gold discoveries of California and Australia; and yet that was its most prosperous period.

Seventh. I am confident that our great need of circulating medium is for domestic, not international use; that the relations between the two metals must be established on some ratio of free coinage in order to remove this question from the domain of politics; that free coinage would give a bullion value to our silver approximately equal to its legal value, and that if there is any danger whatever in the use in this country of silver as a legal money metal on a large scale, it is greater by adding it at the rate of 60 millions a year in the discredited form of "buying" it and issuing it as token coins, thus maintaining a difference between its bullion and legal-tender value, than by using it on possibly even a larger scale with the bullion and legal-tender values identical, as they must be under free coinage.

Eighth. I submit that since the small surplus of silver bullion now on the market controls its price, that by its removal from the open market a much greater value would be given to the 400 millions of silver held by our banks and people.

In conclusion, let me quote from the speech of Mr. Goschen, the chancellor of the exchequer, in the House of Commons in April last:

"I have always looked upon silver and gold, not as antagonistic to each other, not as being articles the price of one of which would necessarily fall when the other rose, but I have looked upon them rather as partners, who together were doing the work of the currency of the world. Allusion has been made to the rate of discount in connection with the scarcity of gold, but such allusion confuses capital and currency. The alleged scarcity of gold has to me another meaning. I think that the amount of gold used as currency is extremely small to bear the enormous burden which is put upon it. I admit that, as interested in the commerce and monetary system of this country, I feel a kind of shame that on the occasion of 2 or 3 million pounds of gold being taken from this country to Brazil, or any other country, it should immediately have the effect of causing a monetary alarm throughout the country."

Thanking you very much for your courtesy, yours, respectfully,

GEO. RUTLEDGE GIBSON.

Letter of Mr. A. Herbert.

To whom it may concern :

The two units of value among the coins of the United States at present are by law the gold dollar of 1849 and the silver dollar of 1792.

The gold dollar contains 25.8 grains of standard gold, and the silver dollar contains 412½ grains of standard silver.

These two coins are both legal tender and are interchangeable, the one for the other, anywhere in the United States.

But the commercial value of the metals are different, and when our silver dollar leaves the United States it is at once depreciated in the interest of the money changers and bankers of the world, and especially of England.

And why is this? I can see no other reason than the fact that England claims the commercial supremacy of the world, and that the policy of her Government is directed by what they consider the interests of their people and what will continue to maintain this "commercial supremacy." Up to the year 1795, silver was a monetary metal as well as gold in unlimited amounts in the settlement of debts due in London, the metropolis of the Empire. But, then, the Parliament of England limited the function of silver to the subsidiary service of small change, and made the gold sovereign or the pound sterling the unit of value.

And mark the effect of this legislation. The "demand" for silver being lessened, it was taken to the continent of Europe, where its purchasing power was greater than in England. The Bank of England soon experienced its inability to continue specie payments in gold and applied to Parliament for authority to suspend payment in coin. This authority was granted, and from 1797 to 1816 the Bank of England made no further efforts to pay coin over its counters. But from 1816 to 1822 the bank made some six ineffectual efforts to resume specie payments. But Parliament had to come to its aid and relieve them from the legal obligations, and the reserves of the bank were drawn down to 2 or 3 millions, when they obtained authority to reissue some small notes which had been lying idle in the bank vaults for several years.

With the aid of these, and the notes of many private banks, the Bank of England soon got rid of the inordinate demand for coin, and its business became settled.

Can we not profit by the experience of the Bank of England? By holding in view the law of "supply and demand" I think we may.

What is the law referred to? It is simply that "when the supply of any commodity falls short of the demand" that extra demand puts up the price, and when the supply is in excess of the demand the price goes down. Now, as gold, silver, wheat, corn, potatoes, and apples are all commodities and may be exchanged in trade, the price of neither the gold nor the apples should be looked upon as invariable and absolute, but rather, as they are known to be, modified by the circumstances. Potatoes and apples are to-day selling for double the price they sold for 2 years ago, and this is the consequence of "short crop" and diminished supply; in like manner is the price of gold and silver made to change. From 1851 to 1856 the output of gold from California and Australia averaged \$150,000,000 every year, and exchange on London sold for 10 per cent premium in Australia when paid for in Australian gold. In China, in the fourteenth century, 1 ounce of gold was equal in value to 4 ounces of silver, and in 1883 1 ounce of gold was equal to 18 ounces of silver.

Thus we see that the purchasing power of gold and silver varies with the existing relation between "supply and demand;" just as the price of wheat, corn, potatoes, and apples. And the enormous sum of £200,000,000 of gold, which was taken from the world's supply from 1873 to 1883 to fill the vacancy caused by the demonetization of silver in Germany, United States, and Italy, and more than \$100,000,000 put in art and manufactures in the same time, creates an "extra demand" for gold, without the corresponding "supply," which must be respected.

I would suggest increasing the amount of standard silver in silver unit of value and diminishing the amount of standard gold in the gold unit of value. For instance, I would put in the silver coin 432½ grains of standard silver and in the gold coin but 24 grains of standard gold for every dollar of its face value, whether the coin represented the \$20 gold piece, the \$10, the \$5, or the \$1; and in the silver coin 432½ grains of standard silver should constitute the \$1, 216½ grains the half dollar, 108½ grains the quarter dollar, and 43½ grains the 10-cent piece.

I would have these coins made legal tenders and the equivalents of each other, at their face value, and interchangeable at the Treasury at the option of the owner. And, I believe, this would give us a bimetallic currency when both metals would circulate without friction and with which there might be free coinage without any danger of losing our gold.

Respectfully,

A. HERBERT,
No. 473 Missouri avenue, NW.

Letter of G. A. Hubbell.

SOUTHPORT, CONN., February 5, 1891.

To the Committee on Coinage:

GENTLEMEN: Permit a citizen to suggest that the difference in the bullion value of gold and silver dollars might well be lessened by increasing the quality and quantity of silver in the dollar.

Make the future dollars ninety-five one-hundredths fine, according to the French standard, and the weight 420 grains, according to the Mexican, and as in our old trade dollars, the half-dollars 210 grains; the quarters 105; the dimes 42. Such weights could be readily tested.

If we are to have abundance of silver let us have it of superior quality and full weight. This would avert some dangers and satisfy miners.

Respectfully,

G. A. HUBBELL.

Letter of Mr. J. W. Porter.

To the Committee on Coinage, Weights, and Measures of the Fifty-first Congress:

A fundamental error which appears to prevail and have undue influence in the consideration of this question of our monetary standard is in supposing that natural laws have caused the severance of the link which has for ages connected silver and gold as concurrent representatives of value.

An excess of the supply of one metal over the other, which has characterized several eras in the world's history, has never operated to materially change the ratio of valuation.

When the mines of Potosi and of Mexico poured their treasures of silver into the coffers of the world, and later, when California and Australia supplied golden treasure exceeding nearly fourfold the annual productions of silver, there was no material disturbance of the ratio between the metals.

Since 1850 the addition to the then existing stock has been so much greater of gold than of silver that it is most illogical to attribute the disparity we now witness to any excessive supply of silver.

Therefore we maintain that the disparity is attributable to statute law and not to any overproduction.

As the scientific aspects of this most important question have already been ably presented to the committee, we will present some practical points for your consideration, from the standpoint of those not pecuniarily interested in silver mining, nor yet in securities which may become more and more valuable under a continuance of the single standard.

First. The right to change the standard may properly be questioned. If the Congress in 1873 possessed the right to demonetize silver, it would follow that they have an equal right to demonetize gold. Who will for a moment concede the latter?

To, by law, change the double to the single standard—to demonetize one metal—changes the relation between debtor and creditor, to the injury of the debtor, just as effectually as would a law directly adding arbitrarily to the face value of all debts a sum equal to the enhanced value of the new unit of value in which payment is required.

To demonetize both metals and provide another unit of value and of account would wrong the creditor, and be equally indefensible.

Second. In addition to the great volume of public and corporate indebtedness, many hundreds of millions of dollars of incumbrances on farming property and other private obligations have been affected injuriously, for an additional burden has been imposed upon all debtors and taxpayers by their being compelled to pay in dollars different and more valuable than the dollars under the statute provided when the debts were incurred.

Third. If there be any at this late day who deny that gold has advanced in value we would ask how it were to be justly determined; certainly to measure a thing by itself would be absurd—to measure one gold dollar by another.

Measured, then, in the only practicable way, by the general range of prices of staple commodities, we see that gold has appreciated in its purchasing power from 35 to 40 per cent.

Bimetallists in asking for the restoration of silver as a money metal, do not believe that it will lift the price of silver, to the present price of gold, but that it will, by depriving gold of its present abnormal value, bring the two metals to the parity so much desired.

This is an important point bearing upon the question raised by our opponents, as to possible difficulties which may arise from our action in again opening our mints.

Fifth. As nearly all who are now opposed to the free coinage of silver declare that they are in favor of the bimetallic standard, we will now briefly consider the objections urged by them.

The first is that it will make our country the dumping ground for the silver of the world. They say it will expel our gold. Where to? To the gold standard countries. What for? For value received. In what?

Cheap silver, they say.

But we have ceased buying silver. Our mints can take it and give silver dollars worth under our law, as much as gold. Then they get gold when and where they can, but what will be the effect of that?

If the exportation of the £2,500,000 desired by the Barings to send to Argentina, caused such an alarm as to excite a panic which caused security holders there to lose hundreds of millions of dollars, what would be the certain effect of the importation of even \$50,000,000 or \$100,000,000 of American gold? Would it not at once act upon the value of gold there, and lessen its importance, its purchasing power, over silver and all commodities? Silver will no longer be cheap to use against us in India. The conversion of European coin into bullion to be assayed for the American mints, would indeed be a speculation for the shrewd investors in Turkish and Egyptian bonds, and Argentine cedulas. No other class would be at all likely to court a speculation sure to net a loss of 6 or 7 per cent.

In the meantime, India yields the wheat and cotton market which she has been enabled to enter solely through our dishonor of silver. Our balances against Europe, now large, will be vastly increased. Wheat and cotton, oil and meat, will again remunerate the American producers.

They will have to be paid for in the manner Americans may direct.

But our country will be reduced to the condition of Mexico and China, say some. Almost any bright American school boy could tell such, that it is the people who have made this Republic what it is, and not the kind of money they use.

When we consider the purpose avowed openly in Europe, as the reason for demonetizing silver, was to enhance the value of the money of account, we can realize that the vast creditor interest there would deplore now as a grave disturbing element, the influx of any large amount of gold.

In 1857, after a few hundreds of millions of dollars in gold had been received from California and Australia, they become so alarmed that great nations on the continent demonetized gold. They do not want gold cheapened, as it would be by any large additions to their present stock.

Every silver coin in Europe represents its face value in gold to its owner.

It is as absurd to suppose anyone there would sell it for less as to suppose any American would sell a silver dollar for less than 100 cents.

That money, as one late lamented Secretary of the Treasury said, is all needed there. The people are suffering there as they are here and are even poorer.

No national treasury can now be supposed to be in any condition to assume the expense of converting their abraded coin into American dollars at our mints.

British law, which compelled the Bank of England to buy all gold offered at coin value approximately, held gold at par when it was dishonored on the continent and did not by any means draw the gold of the continent to the British mint.

We therefore believe that the United States, the greatest producer of both gold and silver in the world, with its vast wealth-creating power, and in possession of the richest national Treasury, may fix the parity of the two metals for the world and maintain it without a ripple.

We shall have the sympathy and support of millions abroad in the righteous act. The trend of public opinion is more and more towards the full restoration of silver. The feeling is nearly unanimous in large portions of the country, and were the newspapers of the Northeastern States open to its free discussion the sentiment among the great producing classes there would be more united for it.

The industrial and commercial interests of the country are admittedly suffering in consequence of the delay and uncertainty as to legislation, for it is broadly conceded to be inevitable in the near future.

The arguments advanced by some in favor of adding a larger amount of silver to our standard dollar are put forward without due consideration.

Aside from the fact that our silver dollar is the only coin we have which has never been changed in its pure metal content, the bare fact that it would necessitate a change in our present coins now stored in the Treasury and of all European silver coinage before any international ratio can be established, will prove a most effectual barrier to such a consummation.

And were we to adopt such a policy, how would it affect us in case of another change, from whatever cause, in what are called market values?

A money metal seeks no market. Its market is in the world's use of it. That use has in all ages been predicated upon the full natural supply of both metals.

Constancy of value, the highest characteristic of good money, can be best assured by the use of nature's full supply of gold and silver.

Free coinage by securing the parity of the two metals will forever set at rest all talk of cheap money metal and dear money metal, and, as we earnestly believe, it will add to the prosperity of our country.

J. W. PORTER.

Letter of Mr. W. P. St. John.

THE MERCANTILE NATIONAL BANK OF THE CITY OF NEW YORK,
New York, February 4, 1891.

*The Committee on Coinage, Weights, and Measures,
House of Representatives, Washington, D. C.:*

GENTLEMEN: It is reported that your honorable committee is still affording hearings for and against the measure termed "the Senate free-coinage bill." Assuming that communications in writing may also be entertained, I respectfully submit the following as intended to commend the bill:

Relying upon the stupendous figures of our trade and commerce collated so recently by the late Secretary of the Treasury to demonstrate the commanding position of the United States among the nations, I respectfully refer to the records of the world's experience, with the instances of Spain, France, and India in particular, as substantiating my belief that the adoption of equally free coinage for gold and silver upon our ratio of 15.988 to 1 would be entirely safe and strictly sound finance.

With the experience of France recalled, as during the period of 70 years to 1873,

and with the past and continuing experience of India, as she absorbs year by year both gold and silver from the outside world, my profound conviction is that the adoption of the Senate free-coinage bill, without amendment, as our law would serve to make the United States, New York City in particular, headquarters for the commercial world's supplies of both the money metals.

Yet, under the inspiration to overcaution naturally pertaining to his great and delicate office, the lamented Secretary adopted and proclaimed a fear of Europe's silver to flood our reopened mints if free coinage is enacted. To measure this avalanche of Europe's silver he presented our Mint Director's estimate of \$1,100,000,000 "full legal-tender silver," of which \$428,000,000 constitute a portion of the present reserves of her great banks. Quoting, then, the market price of silver at 105 cents against our mint valuation of 129 cents per ounce, or about 83 cents as the market worth of bullion in our silver dollar coin, he assumed the dread of Europe's silver to be thereby confirmed.

With Europe's silver we do not deal with bullion nor with market price thereof, but with Europe's legal-tender coin. For this required comparison there is Europe's coined money valuation of \$1.33, as against our mint valuation of \$1.29 per ounce. Excepting her production of a little more than half her arts consumed, Europe's only silver is her silver money. It is equally her potential money as is her gold. It is in circulation as standard coin upon the valuation of 359.91 grains silver as her full legal-tender equivalent of our unit 23.22 grains gold. Our mint requirement for this gold unit is 371.25 grains silver. Hence 11.34 grains silver additional, that is, 3.055 per cent additional silver, or 3.05 cents on every 100 cents would be the absolute expense to Europe, in addition to all the costs of transportation, if the medium of our mints is selected to exchange her full legal-tender silver money for the exact equivalent to her in gold. Thus for such exchange of her \$1,100,000,000 of full legal-tender silver for its equivalent gold Europe's absolute loss would exceed \$33,000,000, to which all the costs of transportation must be added, and for absolutely nothing more potential as her full legal-tender money when obtained.

As to Europe's great banks, they are chartered institutions; may not coin money; one of their functions is to earn it; no one of them is to lose money intentionally. Their silver reserves and their gold reserves are exactly alike full legal tender in fulfillment of contracts, payment of debts, including their deposits, and for redemptions of their circulating notes. For these banks to employ our reopened mints as the medium of exchanging their legal-tender silver for its exact equivalent to them in gold would occasion them a loss exceeding \$13,000,000, besides the costs of freight, insurance, interest, and light weight of coin in the transfer of bullion to and from our mints. To attribute such a proceeding to a bank which for the third time has willingly and easily rescued the banking fraternity of England from impending peril would seem to be preposterous.

Finally, against all dread of Europe's silver at our mints, observe that these banks constitute a portion of the community of Europe which is annually indebted to India in trade to exceeding \$80,000,000. Therefore if Europe would rid herself of surplus silver her constant opportunity, past and future, is there. India's legal-tender silver rupee is related to British standard gold at the equivalent of 348.3 grains silver for 371.25 of our mint requirement, and the European coin considered 359.91 grains, for our aforesaid unit 23.22 grains gold. Therefore, inasmuch as Europe annually elects to make her vast settlements with India in council bills purchased in London, instead of recoinage at this increased valuation her silver into rupees, her constant neglect of the opportunity to thus rid herself of silver must be satisfactory assurance, to the experienced and well informed, that Europe's imagined surplus silver money is a myth.

All this I respectfully urge in earnest commendation of the Senate free-coinage bill.

Very respectfully, yours,

W. P. ST. JOHN.

P. S.—I beg to report that I have furnished to a member of your honorable committee a support of my dispute of Europe's silver threatening our mints written me by a bank officer of more than ordinary repute.

ST. J.

PRODUCTION AND FLOW OF SILVER.

Letter from Edward Atkinson.

BOSTON, February 9, 1891.

GENTLEMEN: I venture to submit the following additional testimony in the matter of free silver coinage. Referring to the report of the silver commission of the United States, organized under the joint resolution of August 15, 1876, of which the Hon. John P. Jones, of the United States Senate, was chairman, volume 2, page

272, I will now venture to repeat questions 26, 27, and 28, with my answer thereto, which are appended thereto, in order that I may have the opportunity to put on record a clause which the reporter omitted, in my reply to question 27. According to the official report I am made to appear as if I had called the attention of the commission to a supposed method of placing piles of combustible matter *against the cliffs themselves*, which contained veins of metal. My actual testimony was to this effect: That my informant stated that there were cliffs containing veins of ore or metal against which piles of combustible materials were placed, and set on fire "for roasting the ores taken from such cliffs." These additional words, which I have underlined, give sense to what might otherwise appear to be nonsense. The description given by my informant at the Centennial corresponds very fairly with subsequent descriptions which have been given of the excessively crude methods of dealing with silver ores in Mexico, such as might be expected to obtain in a country where a large part of the textile fabrics even now worn by the common people are spun by the use of the prehistoric distaff without even the assistance of a spinning wheel, and are woven by attaching the ends of the web to the branches of trees, while the other ends are held around the body of the weaver.

It will, however, be observed that I accepted this account, as I testified "with considerable reservation," and I only injected it into the discussion in order to show the possible fallacy of the statistics of the production of silver, which might have been proved in many other ways. In pursuance of the possible doubt in regard to the flow of silver from one country to another, I now venture to call attention to the incidents which followed the depreciation of the greenback during the war. While that depreciation was expressed in a small premium upon gold, the gold only disappeared, while the subsidiary coins of silver, manufactured at the ratio of fifteen to one, which were used for small change, remained in circulation until the depreciation had got beyond a point represented by that ratio to the value of gold. Then all the silver money disappeared, and within a short time nearly all of it seemed to have been transferred to Canada, where it became a great nuisance to the people. After resumption it came back in the same way. Yet there were no statistics of export disclosing the amount which thus passed from one country to another.

This fact calls attention to another very great danger which would occur from the free coinage of silver at the present ratio of sixteen to one of gold, making the silver dollar worth now but little over 80 cents in gold. At this ratio there would be a profit in the manufacture of the standard dollar of full weight and fineness, of from 20 to 25 per cent., varying with the price of silver in the open market. At this excessive profit there would be a very great inducement to set up private mints in any of the Central or South American States, where they might be wholly free from close observation, carefully guarded and concealed, and from which a large production of silver dollars of full weight and fineness might be turned out, which would very soon come into this country in exchange for gold, although there would be no trace of such an importation in any of the statistics of commerce. I think this danger should carry great weight in the consideration under the subject of free coinage of the silver dollar at the present time.

Respectfully submitted.

EDWARD ATKINSON.

The COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES.

APPENDIX.

Q. 26. Is not the yield of all mines of importance a matter of public information through the statements and reports of their superintendents or other officials; and is it not a fact that the increased production during the past 2 years has come almost entirely from the consolidated "Virginia" and "California" mines of Nevada?—

A. I am not aware of that fact. I should question the evidence as to the total production of silver, partly on the ground of what I saw in the Centennial Exhibition from Mexico.

Q. 27. What did you see at that exhibition that led you to question the correctness of silver mining statistics?—A. A very curious mass of silver, thick in the center and thin at the edge, as if it had been cast in an earthen pan. It was afterward explained to me how it was obtained; that there were cliffs containing veins of metal against which piles of combustible materials were placed and set on fire, and the production was collected in what might be called an earthen pan, and this was alleged to be a rough production by this process. I at once inferred, in relation to silver production, that statistics might be fallacious.

Q. 28. Did you accept this remarkable statement as true?—A. Yes, with considerable reservation.

The foregoing questions and answers are taken from the testimony given by Edward Atkinson, of Boston, before the silver commission appointed by the Congress of the United States, Hon. John P. Jones chairman, at a meeting held in New York October 31, 1876.

In the recorded answer of question 27 the following sentence was omitted by the stenographer: After the words "against which piles of combustible material were placed and set on fire," the words should be added, "for roasting the ores taken from such cliffs."

SILVER IN GREAT BRITAIN.

Letter from George Rutledge Gibson.

NEW YORK, February 10, 1891.

DEAR SIR: In support to my contention before your committee that no large stock of silver bullion exists on the English market, I herewith give you the total imports of silver into Great Britain and exports from Great Britain for the last 10 years, from which you will see that as I told you in my testimony before the committee—on the strength of Sir Charles Freemantle's statement to me—England is but a distributing point for silver, receiving it by steamer and sending it away again by every steamer and accumulating on storage but little of this commodity.

Year.	Imports.	Exports.
1881.....	£6,902,000	£7,004,000
1882.....	9,245,000	8,965,000
1883.....	9,468,000	9,322,000
1884.....	9,601,000	9,986,000
1885.....	9,377,000	9,852,000
1886.....	7,471,000	7,223,000
1887.....	7,900,000	7,850,000
1888.....	7,300,000	7,615,000
1889.....	10,500,000	10,668,000
1890.....	*12,100,000	10,800,000
Total	89,864,000	89,285,000

* About.

Yours, very respectfully,

GEO. RUTLEDGE GIBSON.

Judge WICKHAM,

*Chairman Committee on Coinage, Weights, and Measures,
Washington, D. C.*

Memorial of Buffalo Bankers' Association.

BUFFALO, N. Y., February 6, 1891.

DEAR SIR: Under direction of the Bankers' Association of Buffalo I inclose herewith copy of resolutions, etc., to be presented to your committee.

Very respectfully,

WM. C. CORNWELL,
Secretary Bankers' Association.

The CHAIRMAN HOUSE COINAGE COMMITTEE,
Washington, D. C.

At a meeting of the Bankers' Association of Buffalo, held Friday, February 6, the following expression was unanimously adopted and directed to be forwarded to the House Coinage Committee, with the request that the communication be read at the next meeting of the committee, and bespeaking for it careful consideration at their hands:

Whereas the vast and delicate machinery of business, all ready at the beginning of 1890 for an era of prosperity unprecedented in the history of the nation, is to-day clogged and distressed by too much legislation, ostensibly in its interest but actually

for the benefit of a few, and against all the sound principles which generations of experience have made sure; and

Whereas legitimate enterprises and mercantile operations, already suffering from the effects of the silver bill of 1890 (which brought about in quick succession inflation, apprehension, gold-hoarding, contraction, panic, and after that a general halt), are now waiting hesitating and uncertain in face of the possibility of new calamities to follow upon the passage of a bill which will precipitate at once, by the swift and sure process of the issuance of certificates against bullion, the evils which would follow more slowly from the tardier method of certificates against coinage: Therefore be it

Resolved, That this association hereby puts itself on record as strenuously opposed to the free coinage of silver, and, protesting strongly against any further legislation on the subject in Congress, calls upon the representatives of the people to use every exertion to defeat such legislation. It believes that the question is a question of right and wrong, and that no compromise should be tolerated; that the time has come to stand up openly and unreservedly on the side of the truth and justice of sound finance against the powers of selfishness and destruction to business interests as represented by the silver inflationists.

Buffalo Commercial Bank, Marine Bank, American Exchange Bank, Manufacturers and Traders' Bank, Farmers and Mechanics' Bank, Third National Bank, German Bank, Bank of Buffalo, Bank of Commerce, Merchants' Bank, Buffalo Loan, Trust and Safe Deposit Company, German-American Bank, *Bankers' Association of Buffalo.*

Memorial of Buffalo Merchants' Exchange.

BUFFALO, N. Y., *February 9, 1891.*

DEAR SIR: At a meeting of the members of the Buffalo Merchants' Exchange, held this 9th day of February, 1891, the following preamble and resolutions against the pending free coinage bill and urging the repeal of the silver act of July 14, 1890, were adopted:

The Buffalo Merchants' Exchange, representing the commercial and industrial interests of the eleventh city in the Union, in mass meeting assembled—

Resolves, (1) That the passage of a measure permitting the free coinage of silver would inevitably bring the country to a single silver standard, involving the violation of contracts; confusion in business; serious loss to all wage workers, through the diminished purchasing power of money; disturbances in all foreign exchanges; the divorcement of the United States from the company of the principal nations of the earth in the matter of money standard; in short, would be a disastrous departure from sound economic policy.

(2) That the silver act of July 14, 1890, is mischievous as further increasing the quantity of silver dollars inferior in value by 20 per cent. to the gold dollar, which is the only standard of value recognized in commercial transactions.

(3) That therefore the Merchants' Exchange respectfully prays (1) that the pending free coinage bill may be speedily rejected; and (2) that Congress will repeal the silver act of July 14, 1890.

(4) That the trustees be recommended to appoint a committee of three to ask for a hearing before the House Committee on Coinage, Weights, and Measures, and to proceed to Washington for the purpose of urging the action described in the preceding sections.

(5) That a copy of these resolutions be forwarded to the President of the United States, to the Secretary of the Treasury, and to each member of the Senate and House of Representatives.

Respectfully submitted.

GEORGE CLINTON, *Vice President.*
WILLIAM THURSTONE, *Secretary.*

The Hon. CHAS. P. WICKHAM, M. C.,
Washington, D. C.

Memorial of Philadelphia Grocers and Importers' Exchange.

PHILADELPHIA, February 11, 1891.

DEAR SIR: At a meeting of the board of directors of the Grocers and Importers' Exchange of Philadelphia, held February 11, 1891, the following resolution was unanimously adopted:

Resolved, That the Grocers and Importers' Exchange of Philadelphia earnestly protest against the passage by the National House of Representatives of the Senate bill providing for the free and unlimited coinage of silver. The Exchange believes that the passage of this measure will be ruinous to the foreign and domestic commerce of the United States, because a disastrous disturbance of commercial values and contracts must of necessity follow a change from the present gold standard or unit of values, and from the consequent adjustment of all values to the silver standard. The Exchange believes that silver, as the cheaper medium of exchange, will drive gold, the dearer, out of circulation; that the nation will then ultimately be compelled to adopt silver as its unit of value, the result of which will be to reduce this nation to the commercial level of nations like Mexico, and force us to abandon the high and honorable place we have heretofore held among the great commercial nations of the world. The Exchange believes that the Government of the United States owes to all its citizens, rich and poor alike, a sound, stable, and honest measure of value, such as is found alone in the gold standard, and which experience proves can not be found in silver, a metal that is constantly fluctuating in value.

The Exchange believes that the act of May, 1890, directing the purchase of \$4,500.00 ounces of silver monthly and the issue of Treasury notes in payment thereof, with our present outstanding circulation, provides us with ample currency to meet all the legitimate needs of the country, and that the nation should await the result of the experiment of the increased coinage of silver provided by the said act before taking another and a dangerous step, which, while it may doubtless result in enriching a few speculators and owners of silver mines, must, in our view, ultimately and inevitably lead to disarrangement of monetary values.

GEORGE B. KESTER,
President.

Attest :
[SEAL.]

JAS. P. HAIGDE,
Secretary.

The CHAIRMAN OF COMMITTEE ON COINAGE,
National House of Representatives, Washington, D. C.

Memorial of citizens of Milwaukee.

Resolved, That in the opinion of the citizens of Milwaukee the continual discussion in Congress upon the subject of silver money, or of free coinage, is having a seriously depressing effect upon all kinds of business throughout the country, which, but for that unfavorable influence, would at once return to healthful activity.

That in our opinion no further legislation upon the subject of currency, or of silver coinage, is at present expedient or desirable; but on the contrary, that the effect of existing laws has not yet been fully tested, and the best interests of the country imperatively demand a cessation from further agitation of those questions during the present session of Congress.

J. G. Flint, Bernhard Grass, G. W. Ogden, D. W. Howie, A. Mimerke, jr., John E. Hansen, T. L. Keely, A. J. W. Pierce, C. M. Cottrill, J. M. Crombie, I. H. Lowry, Benj. M. Weil, I. G. I. Campbell, August Stirn, W. R. Binder, J. C. McClintock, A. Streeter, W. J. Grant, L. A. Shakman, Geo. I. Robinson, Charles H. Anson, D. W. Keyes, R. P. Fitzgerald, A. C. Bird, W. Durand, John Saveland, Clarence H. Young, Francis Boyd, O. E. Andrews, Benton, Walsh & Co., Albert Carver, Henry M. Mudd, F. Kraus, E. A. Waltham, A. G. Bodden, Wm. Gender, J. A. Watrous, Jeremiah Quin, Bodden Heath, Jos. Friedberg, Otto Fuoiebusch, Joys Bros. Co., Goll & Frank Co., Chauncey Simonds Co., N. M. Benjamin, Inbusch Brothers, Roundy, Peckham & Co., Jno. G. Gerry, Rudolph Neunemacher, A. W. Rich & Co., I. M. Bean, C. H. Swan, S. C. Herbst Improvement Company, Chas. Heues, jr., Standard Paper Company, Goodyear Rubber Company, Adolph Segurtz, John C. Spinner, A. R. Matthews, H. R. Bond, Henry Benedict, B. B. Hopkins, T. H. Rice & Friedman Co., Thos. H. Brown, N. K. Wolf, Wolf & Davidson Dry Dock Company, Pabst Brewing Company, W. J. Boyle, John C. Koch, Starkweather & Co., Arthur Young, E. R. Paine, C. L. Wellington, Herman S. Mack, Thomas Shea, John S. Ricker, Beals, Torrey & Co., David Alden Sons & Co.

IMPRACTICABILITY OF COINAGE OF AMERICAN SILVER.

[Letter from J. Howard Cowperthwait.]

BROOKLYN, *February 12, 1890.*

CHAIRMAN OF COINAGE COMMITTEE:

SIR: The proposition to limit the purchases of silver to American silver leads me to ask:

I. Can the Director of the Mint tell American silver from foreign silver.

II. If not, are his agents to buy only at the mines or silver-bearing American marks?

III. Are the agents expected to be so vigilant that no American hole in the ground can be stocked with Mexican silver in order to become an American mine?

IV. If you put a tax upon importations of foreign silver, who shall determine whether any particular lot is really of foreign or American production?

V. If you tax all importations of silver, will you not violate the Constitution, which says: "No tax or duty shall be laid on articles exported from any State?"

In conclusion, allow me to say that I believe there can be no safety except in limiting, by an absolute amount, the Treasury's purchases of silver.

Very respectfully, your obedient servant,

J. HOWARD COWPERTHWAIT.

SALE OF SILVER BY EUROPE.

[Extracts from a letter from William Seligman, of Seligman frères, Paris, bankers, to the Hon. R. R. Hitt, House of Representatives.]

SELIGMAN FRÈRES & CIE.,

32 Boulevard Haussmann, Paris, le 10 Dec., 1890.

Hon. R. R. HITT, M. C.,

Washington, D. C.:

My DEAR SIR: * * * The late silver bill [of July 14, 1890] I consider a splendid law, but its beneficial effects will only be gradually felt, and not before several years have elapsed, inasmuch as four and a half million dollars per month is insufficient for the time being to prevent these artificial and periodical tight snaps.

I hope and pray that a free coinage silver bill will never pass an American Congress. It would positively cause (not long after its passage) ruin and desolation throughout the country. At first there would take place booms, very dangerous booms, but the end would positively be a crisis such as the promoters of free coinage can form no idea of. A country like the United States, the first and foremost nation of the world, must have a lasting honest currency.

Free coinage would be hailed with joy in Europe. France, with 2½ to 3 milliards [francs] (5½ to 6 hundred million [dollars]) in the bank and among the public, would feel grateful to you were the unlimited free coinage bill to become a law. You would get from France alone \$300,000,000, and that quickly. I know that when silver was quoted 54½ a short time ago, in London, high-placed officials in the bank favored sending a part of the bank's silver to you. Germany has an immense stock of silver bars, which you would get; so have Italy and several other countries of Europe. India would send you immense amounts of silver instead of sending the same to China. England would be greatly benefited by it with unlimited free coinage with you. London, with a gold standard, would become more than ever the center of the world's banking business. * * * I can not, and no sane man in Europe can, believe that the Congress of the United States will vote such a bill, with its unavoidable disastrous consequences.

I remain, my dear Mr. Hitt, yours very truly and sincerely,

WM. SELIGMAN.

ACTUAL LOCATION OF MONEYS OF THE UNITED STATES.

[Letter from Lorain Blodgett.]

WASHINGTON, D. C., *February 13, 1891.*

Hon. C. P. WICKHAM,

Chairman, etc.:

My object in preparing the tabular statement of moneys actually held in the Treasury is to call attention to the rapid enlargement of the sums so held, and to the consequent withdrawal of more money from circulation among the people. It is important to check that tendency in every possible way.

The usual Treasury statements do not show this movement, but in each Mint report since 1882 there has appeared the tabular statement of "Actual location of the moneys of the United States," which I here condense for 10 years as what is in the Treasury. A second table gives what was at the same dates in the national banks, and a third table gives an estimate of what at the same dates was in other banks and general circulation.

For July 1, 1890, the totals were—

1. In the U. S. Treasury	\$727,364,889
2. In national banks	307,225,229
3. In other banks and general circulation	1,128,385,383

The first two items are not available for active circulation, except to and from the Treasury, and to and from the banks. There is, therefore, a practical holding in reserve of more than half the total issues of coin and currency.

This immense reserve is not known in the uses of other nations, and it is new here, as my comparative table shows, having grown up since 1881. I have the most positive evidence that this drain to the Treasury greatly increased the stringency in October last, and continues to operate severely on the business of the cities from which the public revenues are chiefly drawn.

Very respectfully,

LOUIS BLODGETT.

Moneys in the Treasury.

	July 1, 1881.	July 1, 1882.	July 1, 1883.	July 1, 1884.	July 1, 1885.
Gold bullion	\$89,017,716	\$56,541,887	\$56,254,071	\$44,193,050	\$66,847,095
Silver bullion	3,309,949	3,230,908	4,482,216	4,950,785	4,054,586
Gold coin	74,153,945	91,964,503	141,824,495	160,336,986	170,952,890
Silver dollars	62,544,722	87,153,816	111,914,019	135,560,916	165,413,112
Silver fractions	27,247,697	28,048,631	28,486,001	29,600,720	31,236,899
Gold certificates	23,400	8,100	22,571,270	27,246,020	13,593,410
Silver certificates	12,055,801	11,590,620	15,996,145	23,384,680	38,370,700
U. S. L. T. Notes	30,204,092	34,670,589	36,498,839	40,183,801	45,047,378
National bank notes	5,296,382	6,277,247	8,217,062	8,809,990	9,945,710
Fractional currency	53,159	17,754	4,657	7,027	3,285
Total	303,906,863	319,504,055	426,248,775	474,273,975	555,065,065

	July 1, 1886.	July 1, 1887.	July 1, 1888.	July 1, 1889.	July 1, 1890.
Gold bullion	\$42,454,430	\$85,512,270	\$110,469,018	\$65,995,145	\$65,630,580
Silver bullion	3,468,620	10,455,650	10,495,942	10,444,443	10,656,838
Gold coin	189,529,603	192,368,915	203,636,984	237,586,792	255,673,526
Silver dollars	181,258,556	211,483,970	243,879,487	279,045,351	313,147,717
Silver fractions	28,904,681	26,977,493	26,051,711	25,124,672	22,792,718
Gold certificates	55,129,870	30,261,380	22,135,780	36,918,323	26,732,120
Silver certificates	27,861,450	3,425,133	29,104,396	5,474,181	3,983,513
U. S. L. T. notes	41,118,316	28,783,796	52,398,204	47,196,825	23,832,039
National bank notes	4,034,417	197,046	7,054,221	4,158,330	4,365,838
Fractional currency	2,667	2,366	.....	.....	.....
Certificate of deposit .....	.....	310,000	250,000	240,000	500,000
Total	573,757,619	589,778,019	705,475,773	712,184,062	727,364,889

Memorial of Chicago Board of Trade members.

CHICAGO, February 4, 1891.

To the Coinage Committee of the House of Representatives, Washington, D. C.:

The undersigned, members of the Board of Trade of the city of Chicago, hereby respectfully protest against any further legislation by Congress in regard to silver, believing that further agitation of the subject will be injurious to the business and commercial interests of the country, and tend to retard the increasing confidence of the business world and the speedy return to a healthy state of affairs, so much desired by Congress and the country.

H. A. Towner, George Clark, Chas. A. Mair, Wm. H. Bartlett, M. C. Lightner, Wm. Young, C. H. Taylor, H. B. Jackson, Edw'd S. Worthington, D. T. Helm, H. J. Pollak, J. C. Williams, B. Fower, Gu. F. Stone, Geo. D. Rumsey, Chas. E. Gifford, J. C. Gifford, G. G. Moore, T. C. Edwards, N. P. Harrison, E. F. Chapin, F. S. James, W. F. James, Chas. E. Jones, Wm. R. Parker, J. F. Barrett, N. De Golyer, W. R. Shaw, C. M. Howe.

Letter from Hon. M. D. Harter.

LEGAL TENDER SINCE 1873, AND HEAVIER DOLLAR,

MANSFIELD, OHIO, *February 12, 1891.*

Hon. C. P. WICKHAM,
Chairman, Washington, D. C.:

DEAR SIR: I hand you two propositions for which I ask the consideration of your committee, and either of them ought to command the assent of fair-minded people. If you have the leisure at command, do me the honor of acknowledging the receipt of the same.

First. If the existing act of legal tender can be amended so that it would apply to all contracts made subsequent to January 1, 1879, all of which have been made upon a gold basis, and so as to apply to all future contracts in the manner prescribed hereafter, the objections to free coinage may not obtain. Bearing in mind that in nearly all States, if not in all, there is a provision of law to the effect that if interest is promised without any specification of rate, the construction of the law for rate intended shall be what is known as the legal rate. In some cases it is 6 per cent., in others 7 per cent., and perhaps higher in many States. By analogy an act amending the United States statute of legal tender would be a just one, to wit: In all contracts made subsequently to January 1, 1879, and in all contracts made hereafter in which an obligation to pay one or more dollars is entered into without any specification of the kind of dollar, it shall be held that the dollar contemplated in the obligation is the standard gold dollar of the United States, or its equivalent.

It is wholly within the lawful power of every State in the Union to pass an act of this kind, but such State laws would not govern the contracts of the people of that State with those of other States, and would, therefore, be ineffectual. A national statute to this end would render it impossible to force the silver dollar upon those who did not want them, while it would leave all those who desire to adopt a silver basis, and to conduct their business in terms of silver, wholly free to do so. No injustice or wrong could be done to anyone, and under these conditions the free coinage of silver might be adopted without any danger, such as may otherwise occur.

Second. It is held by some of the advocates of the free coinage of silver that the interest of the silver production in this country may be promoted. This can also be done in a very simple way, by adjusting the coinage of the dollar of silver to the new conditions. For a long period before 1873 the value of silver bullion in Europe had varied but little from 60½ pence per ounce. At that price the American dollar, weighing 412½ grains nine-tenths fine, was worth as bullion within a fraction of 103½ cents in gold; hence it occurred that although about 8 million of these dollars were coined, they never went into circulation. They were either melted down by the bullion dealers, or exported in order to secure the profit of about 3 per cent. In recent years the price of silver had fallen at one time to less than 42 pence per ounce; but the increasing demand of the great continents of Asia, Africa, and South America, now being rapidly developed by the railway and steamship, have steadily but slowly advanced the price of silver bullion until it had ranged for a considerable period at from 47 to 48 pence in London, with an advancing tendency. All this occurred before the agitation for free silver coinage by the present session of Congress began to cause the recent fluctuations in the price.

It may be assumed that silver is permanently worth 47 pence or more per ounce in London under this condition, or more, and if we coin dollars freely without restriction of full legal tender, after having amended the legal-tender act in the manner suggested, of a weight bearing the same relation to 47 pence that the weight of the former dollar bore to 60½ pence prior to 1873, we should make a heavier demand for the silver production of the country; at the same time, without any appearance of purchase or sale of these dollars, they would flow away from the country to be melted down as the former dollar did. If the promoters of the silver interests are sincere in their views and do not expect to put an increasing product through this country upon the world, at lessening prices of bullion, they might readily sustain this view as well as the one first named, to wit, the amendment of the legal-tender right. If they do not stand ready to sustain measures corresponding to these proposed, and are trying to make use of the legislation of the United States in order to get more than their product is worth, that very fact would be disclosed by their attitude in the face of these two propositions, and would render them liable to the distrust with which their efforts are now viewed by many persons.

Yours, truly,

MICHAEL D. HARTER.

Letter from John D. Wood.

INCONVENIENCE OF SILVER STANDARD IN FOREIGN TRADE.

NEW YORK, February 14, 1891.

Hon. MR. WICKHAM,

Chairman of Coinage Committee, House of Representatives, Washington, D. C.:

DEAR SIR: In the general discussion now going on respecting the bill for free coinage, I have not noticed that anyone has suggested that it is really unnecessary to resort to theory and conjecture as to some of the important results that would attend the passage of that bill in view of the fact that the situation that we would occupy is already clearly demonstrated by the countries now using a silver currency, *e. g.*, India, China, etc.

But a few years since, before silver became depreciated, all countries were on the same level, but *now* they are not, and the result, which is plain and clear to everyone, is that America, England, Germany, etc., which have maintained a gold standard, are enjoying the immense benefit of buying goods from the silver nations at a heavy discount. This is proved by the great decline in the exchanges in those countries, where bills on London, New York, etc., command about 25 per cent. higher prices than a few years since. It is also proved by the prices at which the produce of the silver countries rule on London and New York as compared with the prices of former years. It is safe to say that teas, East India produce, hides, etc., are 20 to 25 per cent. cheaper than formerly, solely because of the superior value of our money. If we become a silver nation the result will be to us precisely the same as it has been to India, China, etc. The Western farmer will still obtain, say, \$5 per barrel for flour, or \$1 for wheat, in silver, but London will enjoy these commodities at, say, \$4 per barrel for flour and 75 cents for the wheat. The Southern planter will still obtain, say, 10 cents per pound for cotton, but it will not cost Manchester over 8 cents per pound. On the other hand, all foreign goods from England, Germany, and France will cost our people about 25 per cent. more than now, unless we succeed in forcing up the value of silver single handed against the world.

My own impression is that there is a large supply of silver still held in the form of bars by the banks of France and Germany, and that this would be quickly shipped to this side in case we were inconsiderate enough to offer to buy it at high figures.

Our present coinage of silver is already of great magnitude and will probably result before very long in dragging us down from the advantageous position that we now share with England, Germany, and France in the markets of the world to the level of the less civilized nations which are on a silver basis. I regret to add that instead of considering the expediency of modifying the existing excessive rate of silver coinage, the only question seems to be whether a free-coinage bill that is certain to bring in its train incalculable evils shall not be adopted.

Very respectfully, your obedient servant,

JOHN D. WOOD.

Letter of P. Hartmann.

NEW YORK, February 17, 1891.

Honorable House Committee on Coinage:

GENTLEMEN: I respectfully submit to you the following for consideration:

Please notice that from the establishing of our decimal money system down to 1853 the only token coin in it was the cent; all others were coins of intrinsic value as money.

By an act of Congress in 1853 all the coins of silver were made light, thereby token coins. I say all, because though the silver dollar was excepted by this act, as it became extinct thereafter, it could not be exempted.

By making the silver coins lighter our Government withdrew them from being sent to foreign mints to be recoinced in order to be there used if required for making payments.

This! Was it error No. 1?

Please notice by this act of 1853 that the silver is thereafter to be purchased, and that purchased silver alone can be coined.

Was this purchasing only error No. 2?

From the establishing of the mint anyone having gold or silver, and depositing could have it converted into money by payment for the service.

Both gold and silver from the establishment of our decimal coins down to 1853 were intrinsic value money, because no interest existed otherwise.

Since making our silver into token money at the above date natural causes since reduced all other nations' silver money into such. To-day silver stands demonetized. This! Is it desirable?

Please refer to the act of Congress of February 21, 1853, and you will justify my conclusions from it. If more information is desired or restoratives please advise,

Yours, respectfully,

P. HARTMANN.

Memorial of Merchants and Manufacturers' Association of Baltimore.

BALTIMORE, February 19, 1891.

Hon. CHARLES P. WICKHAM,

Chairman Committee on Coinage, Weights, and Measures,

House of Representatives, Washington, D. C.:

SIR: I beg to inclose copy of resolutions adopted by this association, and to request that you will kindly have them read to your committee.

It was the intention of a committee from this association to present the resolutions in person, but for the announcement in to-day's newspapers that you would not grant any hearings after 12 m. to-morrow.

Permit me to say that the members of this association comprise all branches of trade in this city, and that those whom it represents are practically unanimous in opposition to the free coinage of silver.

Yours, most respectfully,

JOHN R. BLAND,
Secretary.

Resolutions unanimously adopted at a meeting of the Merchants and Manufacturers' Association of Baltimore, held February 17, 1891.

Resolved, That this association is strenuously opposed to the bill now pending in Congress providing for the unlimited and free coinage of silver, and it urges, among others, the following objections to the measure:

First. Free coinage of silver would effectually put a premium on gold and place the finances of the country upon a silver basis solely.

Second. It would consequently, by driving gold out of the country and converting that which may remain into an article of merchandise, contract the currency enormously, and probably immediately.

Third. It would create great confusion in business, demoralize foreign exchange, and cause a disastrous disturbance of the money market.

Fourth. It would occasion serious loss and much embarrassment to all who are dependent upon salaries, fixed incomes, and wages, by reason of the then diminished purchasing power and intrinsic value of money, affecting adversely "all who may own, earn, or owe a dollar."

Fifth. It would lower the standard of the finances of the United States, and with this degradation of our finances would come the destruction of much of our present prestige and prosperity.

Sixth. Free silver coinage would not give a healthy stimulus to trade or permanently enhance prices. It is true that, when the United States was issuing greenbacks and other obligations during the civil war, business was active and values increased, but this was because the Government was a very large purchaser of almost every product and commodity, when hundreds of thousands of men had been taken from farms and factories and as soldiers became consumers only and not producers.

Seventh. The United States already has the largest volume of currency, metallic and paper, of any nation of the world, and besides the use of checks is more general here than elsewhere, more than 90 per cent. of our payments being in that form and less than 10 per cent. being in actual currency.

Eighth. The amount of currency is already ample, and under the operations of the act of July 14, 1890, whereby about \$5,000,000 each and every month is added to its volume, there is no danger of any scarcity of silver and coin notes, but there is more apprehension as to the *quality* of our currency than to *quantity*.

Ninth. Because it is claimed that this legislation is to be especially beneficial to the debtor class, and that this class, made up in large part by the great corporations which have for 20 years been borrowing money to be repaid in current funds, is not in need of such assistance.

Tenth. Free coinage will not give the essentials of the best form of currency, viz, elasticity and security, but will on the contrary force currency out when it is not needed for the legitimate requirements of business and tend to destroy confidence in the ability of the Government to redeem it in what is universally recognized as the world's best money—gold.

Letter of William P. St. John.

ERRORS OF FREE-COINAGE OPPONENTS.

121 EAST THIRTY-FOURTH STREET, NEW YORK, *February 18, 1891.*

The Committee on Coinage, Weights, and Measures of the House of Representatives, Washington, D. C.:

GENTLEMEN: To a complaint from a member of your honorable committee that I had not sought a hearing of the committee to answer questions, reply was made for me that I was abed, threatened with pneumonia, and begging the honor of a submission of inquiries, to which I might essay reply in writing. The gentleman has not favored me with an answer to the letter which I signed.

I now improve the first occasion upon which I am about the house to venture some facts which ought to be weighed by your honorable committee against the mere assertion of opinion and prediction, which appears to be so influential.

First. I respectfully remind you that records easily at your hand will show the duplicate of all banker committees, merchant committees, and chamber of commerce committees in antagonism to the "Tom Benton act of 1834," which "debased the currency" and was to cost us "credit abroad," the like of which are just now so potent in assuring disaster to follow the adoption of the Senate free-coinage bill. That the Benton act was no injustice, and was sound finance, the historic circumstances, conditions, and after approval of all sections fully confirm.

Second. A letter from the Paris house of a New York banking firm is reported as laid before your honorable committee on the 13th instant, and esteemed by you important. I respectfully ask you to note its opening sentence as diametrically opposed to the expressed convictions of our New York aggressive newspapers, in that it estimates the "late silver bill" a "splendid law," of which "its beneficial effects" will not be felt "before several years have elapsed, inasmuch as \$4,500,000 per month is insufficient for the time being to prevent these artificial and periodical tight snaps." The newspaper opinion here is that this "late silver bill" is a very bad measure and for the directly contrary reason, viz, that turning out paper money at the rate of purchases of $4\frac{1}{2}$ million ounces of silver a month is hurrying us to a "silver basis," or a "degraded currency." I have already offered facts to refute his and like threats of Europe's silver to flood our mints. That you may properly value this self-appointed authority on this topic, I respectfully ask you to note his statement that, upon the adoption of the Senate bill, "India would send you immense amounts of silver, instead of sending the same to China."

It is not the habit of India to send immense sums of silver to China. On the contrary, of late years, India absorbs silver from China, in return for cotton goods of which India has become quite a manufacturer and a supplier of China. Nor does India threaten the United States with silver, which she sends now elsewhere. India is the one great trading nation of the world which annually is a creditor in commerce. The United States is yearly her debtor to the amount of between \$12,000,000 and \$20,000,000; and, "barbarous" or not, India is not savagely disposed to bestow her silver gratis. Besides, if there be any merit at all in the "overvaluation," undervaluation theory, in coinage law, upon which our silver dollar is just now denounced as "dishonest" and "an 80-cent disk," then India's legal-tender silver is too much of a fraudulent success with her own people to be played off upon ours. Something has been said of "gold not a legal tender" in India. Literally, this is now true. Potentially, however, the national bank note, the silver certificate, and the gold certificate of the United States are no better off. They are not legal tender. No contract for the purchase of a house would be fulfilled by either of these, except by consent of the parties. They buy houses, however.

India, in her last year of record that I obtain (1889), imported net \$20,000,000 gold, and coined about \$100,000 of it, and imported net \$70,000,000 silver and coined \$31,000,000 of it. No banishment of gold, therefore, was occasioned by her absorption and coinage of silver, and of gold, upon a ratio of 15 to 1, and for anybody who will pay the seignorage charge.

Third. I respectfully offer the following remarks upon the now famous speech of the Hon. Senator Sherman, of January 13th, ultimo. A constant offer to sell copies of this speech, at 2 cents each, stands at the head of the editorial columns of New York's most aggressive newspaper opponent of silver coinage, a paper which is very urgent for the repeal of the silver purchase act of 1890, the late "splendid" law hereinabove referred to.

The base of the entire fabric of the honorable Senator's argument I understand to be that which appears on page 8 to about one-third down the page 11 of this print. Note first, on page 10, the Senator refers to "the exact law of the French Government under which they have acted." But on page 15 it becomes evident that the provisions of the law quoted are those of a subsequent agreement, as to subsidiary sil-

ver, proposed 20 years after the "Latin Union Coinage Treaty," under which they acted, and 11 years after the last extension of that treaty had expired. It was under that prior treaty that they acted when coining the "dreaded flood" of Europe "full legal-tender silver," which the lamented Secretary Windom feared as awaiting our reopened mints. Under that treaty France continued for 7 or 8 years her practically single-handed sustaining of the world's price for silver, as for 60 years prior thereto. Practically single-handed because she absorbed so largely of the coin of the other members of the compact. According to Mr. Ernest Leyd the following were the remarkable changes of ratio of production of the two metals, and the consequently very noteworthy market price of steadiness, during periods of 10 years and 5 years, from 1801 to 1870. They seem to refute the honorable Senator flatly:

[15½ to 1 being France's ratio of coin.]

	Per cent. of value of gold and silver production of world in mutual ratio.*	Ratio of value in Hamburgh to 1832; in London market after 1832 to 1870.		Per cent. of value of gold and silver production of world in mutual ratio.*	Ratio of value in Hamburgh to 1832; in London market after 1832 to 1870.
	Gold. Silver.			Gold. Silver.	
1801 to 1810...	24 to 76	1 to 15. 61	1851 to 1855...	78 to 22	1 to 15. 76
1811 to 1820...	25 to 75	1 to 15. 51	1856 to 1860...	78 to 22	1 to 15. 76
1821 to 1830...	33 to 67	1 to 15. 80	1861 to 1865...	74 to 26	1 to 15. 48
1831 to 1840...	35 to 65	1 to 15. 75	1866 to 1870...	69 to 43	1 to 15. 48
1841 to 1850...	52 to 48	1 to 15. 83			

*The present ratio of production (for 1889) in the world is 42 gold to 58 silver.

And next, as regards the flight of Europe's silver money to our reopened mints, because Europe's mints are no longer coining it. This fear would seem to refute itself. It is conceded that the cessation of our coining silver would be the one assurance that so much as is already coined will continue to float as our money at par. The general fear is only that we shall reach a danger point in continuing. No Frenchman, then, will choose to melt his coined silver out of 100 cents legal-tender into 96.95 cents of bullion, and that lessened by all the costs of transportation to and from our mints, because France no longer coins silver (for the present).

But as to the honorable Senator's special prediction of disaster which he predicates upon experience in the United States to be found on these same pages of his speech, 8 to 11, and which, with his French reference, together constitute the fabric of his basal point in argument, it is noticeable, first, that he is too indefinite in general for any attack. In one point, beginning in the last line of page 10 and ending with the second of the page following, he is explicit and egregiously in error: "And when the ratio was adopted in 1834 all the silver of our country fled from the country, because it was valued in other countries higher than 16 to 1." In refutation of this assertion, and its refutation will carry the honorable Senator's entire basal argument, I respectfully offer the Bureau of Statistics of the United States Abstract for 1887, tenth number, the only one at my hand, beginning with 1838, for our money-metal movement, folios 41 and 42; also folio 34, for our coinage for the same period, 1838 to 1850, inclusive. In 1851 began our large silver exports in excess of imports, which I will subsequently account for.

Years.	Excess of exports.		Excess of imports.		United States coinage.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
1838.....			\$10,935,000	\$3,304,000	\$1,810,000	\$2,333,000
1839.....	\$1,728,000	\$1,454,000			1,356,000	2,176,000
1840.....		1,151,000	1,617,000		1,675,000	1,726,000
1841.....		5,472,000	426,000		1,092,000	1,132,000
1842.....	377,000	350,000			1,834,000	2,332,000
1843.....			16,766,000	4,033,000	8,109,000	3,834,000
1844.....		54,000	430,000		5,428,000	2,235,000
1845.....	1,392,000	3,144,000			3,756,000	1,873,000
1846.....	719,000			591,000	4,034,000	2,558,000
1847.....			20,600,000	1,614,000	20,225,000	2,379,000
1848.....	4,962,000	4,519,000			3,776,000	2,040,000
1849.....		1,807,000	3,053,000		9,008,000	2,114,000
1850.....	737,000	2,157,000			31,982,000	1,866,000

The several noteworthy observations upon these figures would seem to be the following: The extraordinary surplus of gold imports in 1838, 1843, and 1847 were each accompanied by surplus imports of silver in the year; the unusually large surplus

exports of silver, 1845 and 1848, were, with surplus exports of gold for the year, in 1848, \$4,500,000 silver, with \$4,900,000 gold; the unusual export of silver in 1841 was against an import of less than half a million dollars gold for the year; the continuously liberal annual coinage of silver, as compared with our net surplus of silver retained at home, our mine product being then small. This shows that there was no disposition to hoard silver in the bar because undervalued in our coin in relation to gold. This silver coinage was mostly in halves, quarters, and dimes, which were then of full tender weight. Taking the table as a whole it affords no slightest support to the theory of our banishing silver and substituting gold, as intimated in the quoted remark of the honorable Senator.

The solution of our money-metal movement, import and export, for the period is in trade conditions, and the monetary conditions of the particular nations to whom we were from time to time related as debtor or creditor in trade. To France we could, at times, ship silver in trade settlement. To Great Britain, at others, gold. To India, indirectly, silver, by trade debt to Europe while Europe was debtor to India. Thus, in 1851 to 1860, when we exported more silver than imported, by sums annually from \$22,000,000 to \$59,000,000 in one year, as against \$5,500,000 as our greatest surplus export prior to 1851, observe that India's surplus import of silver, which in 1850 barely exceeded \$7,000,000, exceeded \$11,000,000 in 1851, and ran along upward, excepting for 1856, to exceeding \$41,000,000, \$61,000,000, and then, after dropping to over \$20,000,000, mounted again until in 1866 it exceeded \$90,000,000 for the fiscal year.

In the face of facts to the contrary it would seem that the commanding influence of the honorable Senator, Sherman, ought not dogmatically to dictate your conclusions on this great question of gain or loss to the United States at large as the pending result of your honorable committee's report.

I have observed mention of reference before you to "credit money" and restoration of confidence as the country's need, and in consequence that "masterly inactivity" is the present obligation of Congress. Instance was put forth of the recent clearing-house loan certificates. I respectfully remark that for a period of days the relation of New York and Philadelphia in trade and money was such that Philadelphia banks paid \$5 per thousand for drafts on New York, for which they paid out their clearing-house loan certificates rather than part with their actual *money* to ship to New York at 25 cents per thousand dollars. That is, they paid twenty times as much to retain their actual money in hand than it would have cost them to ship it in settlements with New York. Credit is good and very serviceable; but there are times when the best of it is not money.

It has not been my intention to plead for a greater steady increase in our money volume, although I deem that both safe and sound for our large territory, increasing population, and ever-expanding trade. The people at large will have this steady liberal increase, and as a rule their legislators have better gauged their wants than our bankers have, or the merchant organizations, which are always at one with our bankers naturally. I am pleading for a safe basis of increase of our money. A means of legal-tender coin redemption for it certain. When one metal is drawn from us in trade settlement that sufficient of the other shall for the time remain. The peace of mind of France as against the constant hint and dream of peril in the English system. I plead also for an enhancement and maintenance of the world's price of silver, both as part and parcel of this safe assurance of a sufficient coin reserve, always at 100 cents at home, and without the slightest fear that the foreigner will melt it for a lower figure while this great nation values it as our legal tender, and no whit less importantly as advancing and maintaining our strength in the competition with that great-producing competitor, India, as we strive to feed and clothe Great Britain and the continent of Europe with our spare grain and cotton.

With sincere apology for so lengthy a trespass, and exceeding regrets that I have been unable physically to crave a personal hearing of your honorable committee, I am,

Very respectfully, yours,

WM. P. ST. JOHN.

N. B.—With the hereinbefore presented historic experience of France as assuring the ability of this great and increasingly great country to maintain equally free coinage for gold and silver on our ratio, I submit that our prosperity, to result from prompt adoption, will prove better example to attract Europe to follow than will the diminished prosperity of the United States, which delay will occasion, with England in the interim always prospering at our expense in her trade with India.

The proposed automatic issue of our money, bank notes vanishing, is a patriotic solution of the present monetary question now demanding settlement.

ST. J.

Telegram from J. S. Wenter.

FREE COINAGE OF HOME PRODUCTION.

MONTGOMERY, ALA., *February, 20, 1891.*

The House Coinage Committee:

Please pardon the suggestion that foreign silver has hitherto enjoyed equal opportunities at the Mint without perceptible prejudice to home interests, and the free coinage would simply be to open the door but a little wider and further than an amendment providing for the preference at the Mint of home silver in the future over foreign consignments, and authorizing, after a stated time, should this not prove effective, the Secretary, in his discretion, to impose such mint charges for receiving imported silver as may be found necessary to meet the demands of the case on its facts.

J. S. WENTER.

THE FREE COINAGE SUICIDE.

Letter from Hon. Murat Halstead.

NEW YORK, *February 19, 1891.*

To the Committee on Coinage:

There is one crusade more foolish and unaccountable than that of the free coinage Senators and Representatives of the silver States, and the inflationists and repudiators, cranks and fanatics that are supporting them, and we refer to the Farmers' Alliances, who exceed all records and distance all competition in folly.

The farmers, for instance, begin their reforms by propositions that destroy their own credit, and then expect to borrow money at low rates of interest as repudiators and anarchists through the intervention of the Government. The politicians who fight these people the hardest will get the most out of the movement. There is nothing in the Alliances but a distemper of vanity and an effusion of ignorance, and a wild-eyed, long-haired notion that revolutions are required in republics. The yahoos of the Alliances and the intolerant idiots who are professional thinkers are just now of the opinion that they are about to possess the Government and are ready to pick out the leading lunatics for President. Some of them would be willing to go abroad as envoys in order to show the effete monarchies that there are white citizens in this great country, not up to the rank in intelligence of the red savages, who are untaxed, and the blacks, who are disfranchised.

Next to the alliances in prodigious accomplishments of imbecility we find the silver screamers who plead the wrongs of poor silver because after coining 25 millions a year for 13 years of standard silver dollars we are now purchasing 186 tons a month of the product of our mines, and not coining it, but issuing on it bullion certificates. The burning wrong the silver men find in the situation is that the Government continues to make silver and silver certificates as good as gold. That is the high crime and misdemeanor for which the country is being assaulted with clubs and bullwhips and eloquent execrations. If the silver-tongued orators could be caught and held until a few facts could be poured into their ears or whispered or hammered in they might yet be persuaded to abandon the path upon which they have been seeking self-destruction.

What do the silver men expect to gain by free coinage? Do they think there is a speculation for them in the freedom of our mints to all holders of silver bullion in the world? There is no chance for a silver pool this time. When it was agreed to find a place for 6 tons of silver a day the price advanced, of course, but free coinage wipes out that market, and we have instead the mints open and free to all for the swapping of silver in coin or silver certificates for bullion, no matter where it comes from. There is no more speculation in this than profit in swapping barlow knives. The whole theory of the advance in price of silver owing to free coinage is false. The opening of the mints, as they say, will not advance the price of silver for a single day a cent a ton; on the contrary, it will be the preparation for a fall of silver. We take these things to be self-evident, and as they are so, the silver men as a matter of course dispute them and thrust forward their resounding skulls to be cracked against the solid facts:

(1) Free coinage means, without delay, the silver standard; that is, that the dollar measure shall be the standard silver dollar, and nothing else.

(2) As the price of silver will not advance that of gold certainly will not decline, and the gap between the two metals will be at least 20 per cent. Gold disappears at a small premium, and it hides deeply when there is a large premium.

(3) This means silver monometallism ; there will be but one money metal—silver. Gold will not be money at all. It will cease to circulate and be merchandise. Even before the silver law is enacted this will happen, for the moneyed men always discount events. When they see a condition coming they make ready for it. They are not the fellows to be surprised.

(4) Not only will gold cease to circulate, but gold certificates will go with the gold, and we shall start the silver business with the most extensive and severe contraction ever experienced, and the inflationists will have whatever consolation they can find in blaming their own evil work upon financiers, bankers, gold men, goldbugs—everybody except those who have actually caused the calamity.

(5) The silver dollar will not be the equal of the gold dollar. It will be itself the standard, and the depreciation in the purchasing power of the dollar will be fully 20 per cent. Cut 6 inches from the yardstick and still dry goods would be sold by the yard, but it would take more yards of goods to make a suit of clothing. This would cause great confusion. We propose one infinitely greater, for we would change by lowering it the standard of value 20 per cent. at once and presently more. What will the harvest be ?

Just as soon as it is certain that the law is to be enacted, it will begin to take effect. The markets do not wait for the completion of formalities when they have the substantive facts to go upon. When the drop from gold to silver comes every store will mark up its goods 20 per cent. Up will go the whole range of the prices of the necessities of life. The proceeding will be amazingly simple. The value of all deposits in bank, of the life insurance policies, of the building association certificates, of the salaries of employes, the wages of workingmen, will fall 20 per cent., and if silver falls, will decline further, and presently silver will fall perhaps a great deal further. Why ? Because the European nations, Germany and France especially, are anxious for more gold. If we are guilty of the moon-struck madness of throwing away the gold and setting up the silver standard, we let Europe know we have no further use for gold and that we want more silver. There is at least a thousand million dollars in silver in Europe that the people would be glad to exchange for gold at almost any figure, and France has more than one-third of it. Suppose France could get 1,000 million francs in gold from this country (\$200,000,000) for silver, is it not plain that she would give \$300,000,000 in silver for it ? The figures may be questioned, but the force of the suggestion that free coinage would cheapen silver on ourselves is irresistible.

The European nations have never had such a find in gold as they would get if we should abandon the gold standard, and they will come with their silver by the \$100,000,000 for it ; and they will advance the premium on gold, and be glad to get it at that.

They can take the silver by the ship-load to our mints and get the coined silver or Treasury notes, and they will buy gold with silver coin and paper. The plethora of silver and the competition for gold will widen the gap between the money metals until there should be no occasion for surprise if it would be equal to 40 per cent. Such is the logical result of the suicidal course the silver schemers are pursuing.

M. HALSTEAD.

APPENDIX A.

THE SENATE SILVER BILL.

[S. 4675 as passed the Senate January 15, 1891.]

AN ACT to provide a unit of value and for the coinage of gold and silver, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of four hundred and twelve and one-half grains of standard silver, or of twenty-five and eight one hundredths grains of standard gold; and the said coin shall be legal tender for all debts, public and private. That hereafter any owner of silver or gold bullion may deposit the same at any mint of the United States, to be formed into standard dollars or bars for his benefit and without charge; but it shall be lawful to refuse any deposit of less value than one hundred dollars, or any bullion so base as to be unsuitable for the operations of the mint.

SEC. 2. That the provision of section three of "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," which became a law February twenty-eighth, eighteen hundred and seventy-eight, is hereby made applicable to the coinage in this act provided for.

SEC. 3. That the certificates provided for in the second section of this act shall be of denominations of not less than one or more than one hundred dollars, and such certificates shall be redeemable in coin of standard value. A sufficient sum to carry out the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. So much of the act of July fourteenth, eighteen hundred and ninety, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," as requires the purchase of four million five hundred thousand ounces of silver bullion per month, be and the same is hereby repealed.

SEC. 4. That the certificates provided for in this act and all silver and gold certificates already issued shall be receivable for all taxes and dues to the United States of every description and shall be a legal tender for the payment of all debts, public and private.

SEC. 5. That the owners of bullion deposited for coinage shall have the option to receive coin or its equivalent in the certificates provided for in this act, and such bullion shall be subsequently coined.

Passed the Senate January 14, 1891.

APPENDIX B.

SILVER ACT OF 1890.

AN ACT directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby directed to purchase, from time to time, silver bullion to the aggregate amount of four million five hundred thousand ounces, or so much thereof as may be offered in each month, at the market price thereof, not exceeding one dollar for three hundred and seventy-one and twenty-five hundredths grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than one dollar nor more than one thousand dollars, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom, then held in the Treasury purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes, when held by any national banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin, at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or such ratio as may be provided by law.

SEC. 3. That the Secretary of the Treasury shall each month coin two million ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the first day of July, eighteen hundred and ninety-one, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February twenty-eighth, eighteen hundred and seventy-eight, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than two million dollars, nor more than four million dollars' worth of silver bullion, is hereby repealed.

SEC. 6. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasury of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created to be known as national bank notes, redemption account, but the provisions of this act shall not apply to the deposits received under section three of the act of June twentieth, eighteen hundred and seventy-four, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to five per centum of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public-debt statement as debt of the United States bearing no interest.

"SEC. 7. That this act shall take effect thirty days from and after its passage."

Approved, July 14, 1890.

APPENDIX C.

SILVER ACT OF 1878.

AN ACT to authorize the coinage of the standard silver dollar, and to restore its legal-tender character.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be coined, at the several mints of the United States, silver dollars of the weight of four hundred and twelve and a half grains Troy of standard silver, as provided in the act of January eighteenth, eighteen hundred thirty-seven, on which shall be the devices and superscriptions provided by said act; which coins together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract. And the Secretary of the Treasury is authorized and directed

to purchase, from time to time, silver bullion, at the market price thereof, not less than two million dollars' worth per month, nor more than four million dollars' worth per month, and cause the same to be coined monthly, as fast as so purchased, into such dollars; and a sum sufficient to carry out the foregoing provision of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. And any gain or seigniorage arising from this coinage shall be accounted for and paid into the Treasury, as provided under existing laws relative to the subsidiary coinage: *Provided*, That the amount of money at any one time invested in such silver bullion, exclusive of such resulting coin, shall not exceed five million dollars: *And provided further*, That nothing in this act shall be construed to authorize the payment in silver of certificates of deposit issued under the provisions of section two hundred and fifty-four of the Revised Statutes.

SEC. 2. That immediately after the passage of this act, the President shall invite the governments of the countries composing the Latin Union, so-called, and of such other European nations as he may deem advisable, to join the United States in a conference to adopt a common ratio between gold and silver, for the purpose of establishing, internationally, the use of bimetallic money, and securing fixity of relative value between those metals; such conference to be held at such place, in Europe or in the United States, at such time within six months, as may be mutually agreed upon by the executives of the governments joining in the same, whenever the governments so invited, or any three of them, shall have signified their willingness to unite in the same.

The President shall, by and with the advice and consent of the Senate, appoint three commissioners, who shall attend such conference on behalf of the United States, and shall report the doings thereof to the President, who shall transmit the same to Congress.

Said commissioners shall each receive the sum of two thousand five hundred dollars and their reasonable expenses, to be approved by the Secretary of State; and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 3. That any holder of the coin authorized by this act may deposit the same with the Treasurer or any assistant treasurer of the United States, in sums not less than ten dollars, and receive therefor certificates of not less than ten dollars each, corresponding with the denominations of the United States notes. The coin deposited for or representing the certificates shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and, when so received, may be reissued.

SEC. 4. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed.

SAM. J. RANDALL,
Speaker of the House of Representatives.

W. A. WHEELER,
Vice President of the United States and President of the Senate.

IN THE HOUSE OF REPRESENTATIVES U. S.,
February 28, 1878.

The President of the United States having returned to the House of Representatives, in which it originated, the bill entitled "An act to authorize the coinage of the standard silver dollar, and to restore its legal-tender character," with his objections thereto; the House of Representatives proceeded in pursuance of the Constitution to reconsider the same; and

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

Attest:

GEO. M. ADAMS,
Clerk.
By GREEN ADAMS,
Chief Clerk.

IN THE SENATE OF THE UNITED STATES,
February 28, 1878.

The Senate having proceeded, in pursuance of the Constitution, to reconsider the bill entitled "An act to authorize the coinage of the standard silver dollar, and to restore its legal-tender character," returned to the House of Representatives by the President of the United States, with his objections, and sent by the House of Representatives to the Senate with the message of the President returning the bill;

Resolved, That the bill do pass, two-thirds of the Senate agreeing to pass the same.

Attest:

GEO. C. GORHAM,
Secretary of the Senate.

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ISSUE OF ARMS TO CERTAIN STATES.

FEBRUARY 23, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. CUTCHEON, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany H. Res. 291.]

The Committee on Military Affairs, to which was referred the joint resolution amendatory of and supplementary to public resolution No. 3, approved December 9, 1890, report that they have had the same under consideration, and report the same back with the recommendation that it pass.

Said public resolution provided in its title for the issue of one thousand "stands of arms" to each of the States of North and South Dakota, Wyoming, Montana, and Nebraska.

In the body of the resolution instead of the expression "stands of arms," which would include the accouterments, the word "rifles" was used, which does not include accouterments.

The present joint resolution is to correct this error and make the title and body of the resolution correspond.

The original resolution is hereto appended for the information of the House.

[PUBLIC RESOLUTION—No. 3.]

JOINT RESOLUTION to authorize the Secretary of War to issue one thousand stands of arms to each of the States of North and South Dakota, Wyoming, Montana, and Nebraska.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of War, under such regulations as he may prescribe, be, and he is hereby, authorized to issue to the States of North and South Dakota, Wyoming, Montana, and Nebraska, out of any ordnance stores which may belong to the United States and which have been superseded and are no longer issued to the Army, one thousand rifles each and ammunition for the same, not to exceed fifty ball cartridges for each arm, to enable the authorities of said States to assist the United States in protecting citizens and their property against depredations by Indians: *Provided*, That the said ordnance stores shall remain the property of the United States, and that the governors of said States shall each furnish security satisfactory to the Secretary of War for the care and return of said arms when the same shall be demanded: *And provided further*, That the quotas to said States under the act of February twelfth, eighteen hundred and eighty-seven, for arming and equipping the militia shall not be hereby diminished.

Approved, December 9, 1890.

TOPEKA, OKMULGEE AND GULF RAILWAY COMPANY.

FEBRUARY 23, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. PERKINS, from the Committee on Indian Affairs, submitted the following

REPORT.

[To accompany H. R. 4568.]

The Committee on Indian Affairs, to whom was referred House bill 4568 granting the right of way to Topeka, Okmulgee and Gulf Railway Company, have given same full consideration and beg to report as follows:

The Topeka, Okmulgee and Gulf Railway is a corporation created, organized, and existing under and by virtue of the laws of the State of Kansas, invested, and empowered with the right of building, operating, and maintaining a railway in the State of Kansas, Indian Territory, and State of Texas, running south from Topeka, in the State of Kansas and by the most practicable route through the Indian Territory, through or near Okmulgee, in Creek County, to some point on the southern boundary of said Indian Territory in the direction of Galveston, thence across the State of Texas to the Gulf of Mexico.

The company has 16 miles of road now built in Texas, and title to 175 miles right of way deeded in that State.

This road will open up vast coal fields in the Indian Territory now laying dormant for want of proper transportation facilities, and will be of great service and source of revenue to the Indian nations through which it passes, and will be of immense benefit to the people of the States of Kansas and Texas, and other States in their vicinity tributary thereto, giving them rapid and frequent transportation facilities for their products not now enjoyed.

The bill seems to have been prepared with care and in keeping with the precedents, and as it contains the provisions usually found in such bills, its passage is recommended by the committee.

TWO ADDITIONAL LAND DISTRICTS IN THE STATE OF MONTANA.

FEBRUARY 23, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. PAYSON, from the Committee on the Public Lands, submitted the following

REPORT:

[To accompany S. 4631.]

The Committee on the Public Lands, to whom was referred the bill (S. 4631) creating two additional land districts in the State of Montana, have considered the same, and submit the following report:

There are only five land districts in the State of Montana to accommodate the miners and settlers in that State, which embraces an area of over 14,000 square miles. The offices contemplated by the act will afford service to miners and settlers who at present are compelled in some cases to travel as far as 600 miles in going to and returning from the Helena land office. The latter office is now overburdened with work, and great inconvenience and delay results in transacting the public business under the land and mining laws in the district. The Secretary of the Interior and Commissioner of the General Land Office look with favor on the measure, as indicated by the following correspondence in reply to the inquiries of Hon. P. B. Plumb, chairman of the Committee on Public Lands of the Senate, viz:

DEPARTMENT OF THE INTERIOR,
Washington, December 22, 1890.

SIR: I have the honor to transmit, in response to your request, without date, for the views of this Department on Senate bill No. 4631, "creating two additional land districts in the State of Montana," a copy of a report of the Commissioner of the General Land Office thereon, expressing views favorable to the passage of the bill under consideration, in which I concur.

Very respectfully,

JOHN W. NOBLE,
Secretary.

Hon. P. B. PLUMB,
*Chairman Committee on Public Lands,
United States Senate.*

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
Washington, D. C., December 22, 1890.

SIR: I am in receipt by your reference, from the chairman of the Senate Committee on Public Lands, of a copy of bill (S. 4631) "creating two additional land districts in the State of Montana," with request for report of the views of this office upon the same.

In response, I have to state that the labor of preparing the necessary tract books will not be very extensive, and this office will have no objection to the enactment of the bill in question.

Very respectfully,

LEWIS A. GROFF,
Commissioner.

The SECRETARY OF THE INTERIOR.

In consideration of the premises your committee recommend that the bill do pass.

○

JOSEPH G. UTTER.

FEBRUARY 23, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. SNIDER, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany S. 4431.]

The Committee on Military Affairs, to whom was referred the bill (S. 4431) to remove the charge of desertion from Joseph G. Utter, having considered the same, have adopted the Senate report on such bill as the report of your committee, and recommend the passage of the same.

[Senate Report No. 1925, Fifty-first Congress, second session.]

The Committee on Military Affairs, to whom was referred the bill (S. 4431) to remove the charge of desertion standing against the name of Joseph G. Utter, have examined the same and report:

The following memorandum, submitted by the Adjutant-General in this case, summarizes the facts upon which the application is based:

“It appears from the records in this office that one Joseph Utter was enlisted October 27, 1862, at New York, for 3 years, and assigned to Company B, Music Boys, at Fort Columbus, New York Harbor, from which post he is reported to have deserted September 16, 1863, and not to have returned. From testimony on file it appears that the boy Utter, then 14 years of age, was enticed away from his post by members of the Fifth Ohio Volunteer Infantry, who were encamped at that place during the draft riots of that year; that he left New York with that regiment, and accompanied it to the West, drawing rations and clothing in company with other members of that regiment until the 4th of October, 1863, when he was thrown from a railroad train while in transit, receiving serious injuries, which resulted in an amputation of the left leg above the knee.”

The Adjutant-General states that section 3 of the act of March 3, 1889, provides that a charge of desertion similar to that which appears in this case may be removed provided the absence from the service did not exceed 4 months and that the soldier served faithfully under his new command. But the obstacle in this case is that there is no record evidence of the soldier's reënlistment in the Fifth Ohio. This is accounted for by the fact that Utter joined the regiment on the 16th of September, and on the 4th of October received the injury which necessitated the amputation of his left leg and resulted also in the permanent crippling of the right. It is a fair presumption that had Utter not received these injuries he would have continued to serve faithfully with the Fifth Ohio and been granted an honorable discharge therefrom; this presumption is the stronger from the fact that one William Lister, a fifer, who deserted at the same time with Utter, did so serve and receive an honorable discharge.

The fact that Utter received injuries in the line of duty that have attended him through life ought not to work to his disadvantage.

John D. Maddock, private Company F, Fifth Ohio Volunteer Infantry, Charles D. Moore, first sergeant Company F, J. L. Gane, first sergeant Company C, and William Earnshaw, chaplain, testify to the facts that Utter served faithfully with the regiment and drew rations and clothing with the rest until injured, and that he was treated at hospital No. 1, Murfreesborough, Tenn., for a period of three or four months thereafter.

Your committee, in view of the facts that this applicant was but 14 years of age when he deserted; that he was enticed away into the active service by older persons, officers and men, in the Fifth Ohio, under assurances that his regular transfer would be secured; that the companion of said applicant was subsequently regularly transferred, and that he himself undoubtedly would also have been had not the accident referred to intervened, and that the intention to return to duty prescribed by the act of March 2, 1889, as the main condition to the removal of charges of desertion is fully apparent in this case, recommend the passage of the bill.

O

ASA B. AYRES.

FEBRUARY 23, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. STONE, of Kentucky, from the Committee on War Claims, submitted the following

REPORT:

[To accompany Mis. Doc. 120.]

The Committee on War Claims, to which were referred the bills (H. R. 13690) for the relief of Asa B. Ayres and (H. R. 13691) for the relief of the estates of Charles Northrup and S. H. De Bevoise, deceased, submit the following report:

Asa B. Ayers claims to have been a citizen of Tennessee and loyal to the cause of the United States throughout the war of the rebellion, and that he furnished and had taken from him property for the use of the Army of the United States during that period. He also claims compensation upon other accounts. The claim is made up of quite a number of items, and the evidence adduced would seem to sustain the claim in many if not all respects.

Charles Northrup and S. H. De Bevoise were members of a syndicate, represented by Reuel Hough, that was a large purchaser at the direct-tax sales made in Memphis, Tenn., in 1864.

In a division that followed several of the certificates issued to said Hough were apportioned to said Northrup and De Bevoise jointly.

Titles under these certificates to Northrup and De Bevoise were declared invalid by courts of the State of Tennessee, and no benefit was received from the purchases they represented.

Had these evictions been by the judgment of a United States court the purchase money in each case would have been returned under section 9, act June 8, 1872.

Inasmuch as the judgments rendered were of a court of competent jurisdiction and are as final and conclusive as would be judgments of a United States court, there is as sound a reason for the return of purchase money in this instance as there would be for its return had the judgments been of a United States court.

Your committee, responding to the desire expressed by and on behalf of these claimants to have their claims referred to and investigated by the Court of Claims under the act of Congress to provide for the bringing of suits against the United States Government, approved March 3, 1887, do not deem necessary any more extended report of the facts than is herein made, and report a resolution, as is desired, as a substitute for the above-named bills and recommend its passage.

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MARY BARRON.

FEBRUARY 23, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. STONE, of Kentucky, from the Committee on War Claims, submitted the following

REPORT:

[To accompany H. R. 12940.]

The Committee on War Claims, to whom was referred the bill (H. R. 12940) for the relief of Mary Barron, having examined and considered the same, report it back to the House with a recommendation that it do pass.

Mary Barron is the mother of Michael Barron, deceased, late of the United States steamer *Marmora*, and the circumstances as to said Michael Barron are precisely similar to those of John Sullivan, for whom we have reported a bill in this Congress and which we adopt here as showing the facts. It is as follows:

The Committee on War Claims, to whom was referred the bill (H. R. 2743) for the relief of John Sullivan, report as follows:

Your committee adopt the report, hereto annexed, from the Committee on War Claims of the Fiftieth Congress, and report back the bill and recommend its passage.

[House Report No. 479, Fiftieth Congress, first session.]

The Committee on War Claims, to whom was referred the bill (H. R. 3493) for the relief of John Sullivan, report as follows:

That this is a claim for prize money due the claimant, John Sullivan, late of the United States steamer *Marmora*.

Your committee append herewith letters from the Treasury Department in reference to this claim, and ask that it be made a part of this report.

Your committee report back the bill and recommend its passage.

TREASURY DEPARTMENT, FOURTH AUDITOR'S OFFICE,
Washington, D. C., March 17, 1886.

SIR: In answer to the inquiry of J. D. Sullivan, referred by you to this office, and herewith returned, you are informed that the rolls of the U. S. S. *Marmora* show that Sullivan joined that ship on October 24, 1862, and remained upon the vessel until August 16, 1863, when he was discharged. During the period above given but one prize was captured for which any award has been made, viz, "cotton," taken April 12, 1873, and it would appear that Sullivan's name should have been on the prize list therefor, but it is not so borne; his share as a seaman therein would have been about \$34.

For the reasons given in the inclosed copy of a letter of the Navy Department it would seem that Mr. Sullivan's only recourse is to apply to Congress. He is mistaken in supposing that there are any other awards in which he would share.

Very respectfully,

C. M. SHELLEY,
Auditor.

Hon. J. H. ROWELL, M. C.,
House of Representatives.

NAVY DEPARTMENT, *January 13, 1882.*

* * * * *

In view of the fact that prize money, in all cases, has been so apportioned among the persons whose names are borne upon the prize lists as to exhaust the entire fund for distribution, and that the share of each person remains to his credit until paid, unless forfeited by desertion or otherwise, I am of the opinion that this Department has no authority, at this late day, to order any alteration or correction of prize lists upon which an apportionment has been made, and thus recognize claims for the payment of which there is no available fund. * * * For the reasons above stated it would seem that Congress alone can grant relief in such cases.

* * * * *

Very respectfully,

W. H. HUNT,
Secretary of the Navy.

The beneficiary here is the mother of said Michael Barron, and is old, poor, and dependent. Michael Barron was unmarried.

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WILLIAM B. STOKES AND OTHERS.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LAIDLAW, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 607.]

The Committee on Claims, to whom was referred the bill (S. 607) for the relief of William B. Stokes, M. M. Brien, sr., Thomas Waters, and William T. Haskins, respectfully report that they have considered the same and adopt the Senate report of the first session of this Congress, and recommend that the bill do pass.

[Senate Report No. 202, Fifty-first Congress, first session.]

The Committee on Claims, to whom was referred the bill (S. 607) for the relief of William B. Stokes, M. M. Brien, sr., Thomas Waters, and William T. Haskins, having had the same under consideration, respectfully report:

A similar bill passed the Senate at the first session of the Fiftieth Congress. The report upon the same from this committee was as follows:

“The material facts in this case appear to be as follows: That in 1869 one William J. Stokes, a son of the petitioner, was appointed pension agent at Nashville, Tenn., his bond being signed by himself, as principal, and M. M. Brien, sr., Thomas Waters, William T. Haskins, and the petitioner, William B. Stokes, as sureties; that in 1873 the agent was relieved from duty, and it was alleged that he was behind in his accounts to the extent of several thousand dollars; that, at the request of the agent, J. W. Babson, of the Pension Office, and two men from the Third Auditor's Office were sent to examine the books of the agent, and ascertain the condition of his accounts; that upon such examination they reported \$3,300 due from the agent to the United States; that thereupon an agreement of settlement upon that basis was signed by Babson, on the part of the Government, and by the petitioner and the agent, on behalf of the agent, and the \$3,300, so agreed to be due, was paid to the United States; that this was understood to be a final adjustment of the accounts (which, of course, it could not be, as no such agreement could be binding upon the Government to preclude it from further demand if the facts were found to warrant it).

“That some time after this accounting the agent received a letter from the Commissioner, stating that he still owed the Government about \$2,200, and threatening suit unless it were paid; that thereupon the payment was made, making in all a payment by the petitioner, as surety, and his son of \$5,500; that later the Department advised the agent that there was still due to the Government \$4,600 or \$4,700, and threatened suit unless the same were paid. This last amount the agent refused to pay, upon the allegation that it was not due; that nothing more was heard of the matter until 13 years had elapsed, when, in 1886, suit was begun against the petitioner to recover the balance then alleged to be due the Government—about \$3,600, being, it will be observed, about \$1,000 less than the amount claimed at the date of the last prior demand. That suit is still pending.

“The principal was able, it is stated upon authority which the committee deem creditable, to pay, at the date of the demand and the refusal, the amount claimed, if it had been adjudged at that time to be due to the United States. It is also stated, and sworn to by Mr. Stokes, the petitioner, that his cosureties were at that time able to contribute.

"The matter was allowed by the Government, without excuse so far as the committee can discover, to rest for 13 years. In the meantime the principal has become insolvent, and that of the cosureties of the petitioner, Mr. Stokes, M. M. Brien, sr., has died, and his estate has proven to be insolvent, and that his cosureties are wholly unable to pay any part of the claim of the Government. It appears that Mr. Stokes is the only remaining one of the parties signing the bond who has any property whatever, and that his property affords him but scanty support, and that a collection of the judgment, if one were recovered, would reduce him to actual poverty and want. He is now in his seventy-fourth year, unable longer to pursue the avocations by which he might otherwise have earned a livelihood. He represented for many years his district in Congress with credit and ability. His public services to the Union and to his State were of a high order, and the committee are of the opinion that it would be unjust for the Government to allow this claim to slumber for 13 years, pending which the vicissitudes of life have rendered the principal and the cosureties unable to respond, and then to enforce the claim, if there be a valid claim, against the sole remaining surety, thereby bringing upon him utter ruin."

Your committee adopt the foregoing report and recommend the passage of the bill,

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CHARLES BLAKE.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LAIDLAW, from the Committee on Claims, submitted the following
REPORT:
[To accompany S. 2776.]

The Committee on Claims, to whom was referred the bill (S. 2776) for the relief of Charles Blake, a paymaster's clerk in the U. S. Navy, respectfully report:

The bill passed the Senate of the first session of this Congress for the sum of \$700.

Your committee recommend that the bill do pass at the sum of \$200, and recommend that the word "seven" in the sixth line of the bill be stricken out and the word "two" inserted in place thereof. The committee in other respects adopt the Senate report, which is appended hereto.

The bill of items of the loss is as follows:

List of articles destroyed by fire at the time of the burning of the Windsor House at Yokohama, Japan, during the night of February 8, 1886, belonging to Charles Blake, paymaster's clerk, U. S. Navy, under orders from Navy Department for duty on board U. S. flagship Trenton, Asiatic Station:

Articles.	Quan- tity.	Amount.	Articles.	Quan- tity.	Amount.
Sheets.....	12	\$18. 00	Napkins.....dozen..	4	\$16. 00
Pillow cases.....	12	9. 00	Towels.....do.....	5	20. 00
Suits of underclothing:			Dressing case.....	1	15. 00
Light.....	14	42. 00	Shoes.....pairs.....	7	50. 00
Heavy.....	8	32. 00	Studs and buttons.....set..	1	12. 00
Shirts, white.....dozen..	5	100. 00	Scarf pins.....	3	17. 00
Socks.....do.....	5	25. 00	Scarf slides.....	2	25. 00
Cuffs.....do.....	4	20. 00	Cigarettes.....boxes..	4	16. 00
Collars.....do.....	10	30. 00	Tobacco.....pounds..	10	12. 00
Night shirts.....	10	18. 00	Sleeve buttons.....pair..	1	35. 00
Helmet.....	1	3. 00	Hair brushes and combs.....		6. 00
Uniform coat.....	1	45. 00	Tooth brushes.....	6	3. 00
Uniform blouses.....	2	45. 00	Sozodont.....dozen..	$\frac{1}{2}$	4. 00
Uniform caps.....	2	12. 00	Visiting cards, with plate.....	200	6. 00
Uniform pants.....	8	70. 00	Note paper and writing ma- terial.....		10. 00
Handkerchiefs.....dozen..	8	40. 00	Portfolio.....	1	7. 00
Citizens' clothing.....suits..	4	135. 00	Bottle cologne.....	1	3. 00
Citizens' pants.....pairs..	3	25. 00	Silver napkin ring.....	1	4. 00
Trunk.....	1	15. 00	Umbrella.....	1	5. 00
Valise.....	1	8. 00	Walking sticks.....	2	6. 50
Pillow.....	1	5. 00	Suspenders.....pairs..	3	4. 50
Blankets.....pair.....	1	8. 00			
Rug.....	1	7. 00			
Neckties.....		28. 00	Total.....		1, 015. 00

The above is, to the best of my recollection and belief, a correct list of articles destroyed by fire at the time of the burning of the Windsor House at Yokahoma, Japan, the same being my personal outfit for a three years' cruise on the Asiatic Sta- tion, under orders Navy Department.

CHAS. BLAKE,
Paymaster's Clerk, U. S. N.

Sworn and subscribed to before me this the twenty-sixth day of June, 1890.

[SEAL.]

HORATIO N. CLAPP,
Notary Public, Kings Co., N. Y.

Senate Report No. 403, Fifty-first Congress, first session.

MARCH 6, 1890.—Ordered to be printed.

Mr. HALE, from the Committee on Naval Affairs, submitted the following

REPORT:

[To accompany S. 2776.]

The Committee on Naval Affairs, to whom was referred the bill (S. 2776) for the relief of Pay-Clerk Charles Blake, U. S. Navy, having had the same under consideration, beg leave to submit the following report:

A bill of this same character and identical in its provisions was considered by this committee during the first session of the Fiftieth Congress, and favorably reported to the Senate and there passed. The committee is still of the same opinion and report the bill without amendment, with the recommendation that it do pass, and append hereto and make part of this report the former report, which comes down from the Forty-ninth Congress.

[Senate Report No. 1420, Forty-ninth Congress, first session.]

The Committee on Naval Affairs present the following letters as their report on Senate bill No. 2400:

U. S. FLAGSHIP TRENTON (2d rate),
Yokohama, Japan, March 3, 1886.

SIR: I have the honor to inform you that after having, in obedience to orders from the Navy Department, reported to you for duty on the arrival of the *Trenton* from Nagasaki Sunday afternoon, February 7, 1886, I returned for the night to the Windsor House, where my luggage was stored, there being no quarters for me on board until Paymaster Lyon could transfer accounts.

That night, a few minutes after 4 o'clock, the hotel was found to be on fire. The wind was blowing in such a way at the time as to cause the flames to speedily envelop the building, leaving the occupants only opportunity to escape and giving them little chance to save property.

The hotel building was completely obliterated, and in addition to losing my entire outfit provided for a three years' cruise, I had the misfortune to lose a quantity of Government books and blanks, including one book containing fifty sets blank bills of exchange intended for use on this station, besides the pay-rolls, final returns, etc., appertaining to my last quarterly accounts of the U. S. R. S. *Vermont*.

The above-mentioned books, blanks, returns, etc., were packed together in one large chest, which I endeavored to drag out of the burning building, but, from its weight, was unable to do so.

Accompanying me in the hotel was Charles Blake, pay clerk, U. S. N., who had reported with me for duty the day before, and who also lost his entire outfit, saving only the one suit in which he escaped from the building.

In view of these facts I deem it my duty to ask that proper steps may be taken to relieve me from responsibility for these serious losses, and also to account for my being out of the ship, after having reported for duty under your command.

I am, sir, respectfully, your obedient servant,

JAMES E. TOLFREE,
Paymaster, U. S. N.

Rear-Admiral JOHN LEE DAVIS, U. S. N.,
Commanding U. S. Naval Force on Asiatic Station.

U. S. FLAGSHIP TRENTON,
Yokohama, Japan, March 8, 1886.

SIR: In obedience to your order of the 5th instant we have the honor to report as follows: Paymaster James E. Tolfree, having been ordered to join the *Trenton* at this place, and arriving several days before the *Trenton*, had taken up his quarters at the Windsor. Upon the arrival of the *Trenton* on the afternoon of the 7th ultimo, Paymaster Tolfree reported for duty on board, but being unable to occupy his quarters, Paymaster Lyon not having been detached, he returned to the Windsor House. At a little past four on the morning of the 8th ultimo the Windsor House was discovered to be on fire. Paymaster Tolfree, upon awakening, found his room full of smoke, and lighted by flames from the fire, which was in an adjoining room. Hastily throwing on a few clothes he rushed into the hotel corridor to arouse the inmates of the other rooms.

In ignorance of the extent of the fire, stopping to take nothing but two small handbags from his room, he tried to render what assistance he could to clear the hotel of guests, who were dazed by the smoke. After going down stairs, he went to the trunk-room, where most of his luggage was stored, and endeavored to drag therefrom a box containing books and blanks the property of the United States, as well as the pay-rolls, final returns, and other papers appertaining to his last quarterly accounts as paymaster of the U. S. R. S. *Vermont*. This box was too heavy for him to handle alone; he could obtain no assistance, and was finally driven by the flames to relinquish his attempt to save the property.

The flames were so rapid in their advance that there appears to have been little time to look to the saving of anything but human life. We learn that several of the inmates of the house barely escaped with their lives. That the contents of the box above mentioned were entirely destroyed there can be no doubt, and we are of the opinion that Paymaster Tolfree should be held free from blame for their loss, both as to their being at the hotel and as to his failure to save them from the flames.

The following is a list of the public property destroyed, so far as can be ascertained from Paymaster Tolfree:

One book containing fifty sets blank bills of exchange, with accompanying letters of advice, blanks, etc. Pay officers' pay-rolls, books, blanks, etc. Book containing complete set of Navy Department circulars, book of instructions, pay tables, naval registers, etc. Rough pay-rolls, final returns, etc., appertaining to accounts of receiving-ship *Vermont* and U. S. S. *Dispatch*.

Paymaster Tolfree was accompanied by his clerk, Mr. Charles Blake, who had also reported for duty on board the *Trenton*, and who had under his charge a few books and pamphlets belonging to the United States, which were destroyed. The entire outfits of Paymaster Tolfree and Pay Clerk Blake, for three years, were stored at the hotel and were destroyed.

ASA WALKER,
Lieutenant, U. S. N.
WM. T. SWINBURNE,
Lieutenant, U. S. N.
THEO. B. M. MASON,
Lieutenant, U. S. N.

Rear-Admiral JOHN LEE DAVIS, U. S. N.,
Commanding U. S. Naval Force on Asiatic Station.

Approved.

JOHN LEE DAVIS, U. S. N.,
Commanding U. S. Naval Force on Asiatic Station.

NAVY DEPARTMENT,
Washington, June 4, 1886.

SIR: I have the honor to acknowledge the receipt of your communication of the 2d instant, referring to bills which have been introduced in the Senate providing compensation to Paymaster James E. Tolfree and Pay Clerk Charles Blake, U. S. Navy, for the loss of their private property, and for relieving them of responsibility for the loss of Government property in their care, by the burning of the Windsor Hotel, at Yokohama, Japan, on the 8th of February last, and requesting to be informed if schedules of the property so lost have been received at this Department, and whether or not the officers mentioned will be held accountable for the Government property destroyed at that time.

In reply I have to state that the only information the Department has received as to the public or private property lost at the time referred to, is contained in a letter from Paymaster Tolfree to Rear-Admiral J. L. Davis, commanding the Asiatic Sta-

tion, reporting the destruction of the hotel above mentioned, and in the report of the board of officers ordered by Rear-Admiral Davis to investigate and report the facts in the case. Copies of the letter and report referred to, herewith transmitted, will afford the committee information as to the quantity and description of Government property lost by the burning of the hotel, and as to the fact that Paymaster Tolfree and Pay Clerk Blake sustained a loss of their entire outfit for a three-years' cruise. No schedules of the private property of these officers have been filed in the Department, and no estimate of its value can therefore be made.

As it appears from the report of the board referred to that Paymaster Tolfree and his clerk, being unable to obtain quarters on board the U. S. S. *Trenton*, to which they had been ordered, were stopping temporarily at the hotel in Yokohama, where they had stored the public property in their charge, consisting of books and blanks for use in the pay department of the ship; that all possible effort was made by them to save the property in question, and that no blame is attributed to them for the loss of the same, the Department will not, under the circumstances, hold these officers accountable for the money value of the Government property which is reported by the board to have been unavoidably destroyed.

Very respectfully,

W. C. WHITNEY,
Secretary of the Navy.

Hon. J. D. CAMERON,
Chairman Committee on Naval Affairs, United States Senate.



PAYMASTER JAMES E. TOLFREE.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. LAIDLAW, from the Committee on Claims, submitted the following
REPORT:

[To accompany S. 2775.]

The Committee on Claims, to whom was referred the bill (S. 2775) for the relief of James E. Tolfree, paymaster U. S. Navy, have had the same under consideration and report as follows :
The bill passed the Senate at the first session of this Congress and appropriates the sum of \$4,000 for the loss of the personal effects of Mr. Tolfree. The Senate report is appended hereto.
When the bill came to your committee they called upon Mr. Tolfree for a bill of particulars of his loss, which is as follows:

List of articles destroyed by fire at the time of the burning of the Windsor House, at Yokohama, Japan, during the night of February 8, 1886, belonging to James E. Tolfree, paymaster, U. S. Navy, under orders from Navy Department for duty on board the U. S. flagship Trenton, Asiatic Station.

One full-dress chapeau.....	\$35. 00	One dressing case.....	\$40. 00
One case for same.....	5. 00	One diamond scarfpin.....	100. 00
One sword.....	25. 00	One cameo scarfpin.....	40. 00
One case for same.....	2. 00	One gold scarf, in.....	20. 00
One sword belt.....	5. 00	One pair sleeve buttons, diamond and	
One sword knot.....	7. 00	sapphire.....	100. 00
One uniform cap.....	7. 00	One pair rapiers.....	60. 00
One helmet.....	3. 50	One breech-loading fowling-piece.....	175. 00
One straw hat.....	3. 00	One aluminium field glass.....	80. 00
One suit, uniform, special full dress.....	110. 00	One complete tennis outfit.....	18. 00
One sword belt, special full dress.....	20. 00	One set Irving's Works.....	60. 00
One suit, uniform, full dress.....	100. 00	One set Shakespeare, Russia leather, 12	
One pair epaulettes.....	75. 00	volumes.....	25. 00
One suit, uniform, undress.....	90. 00	One dictionary, unabridged, in Russia.....	15. 00
One heavy blue cloth blouse, uniform..	55. 00	One Colton's Atlas, in morocco.....	18. 00
One medium blue cloth blouse, uniform..	50. 00	One pearl-handle revolver.....	35. 00
Two pair trousers, uniform.....	40. 00	One citizen's evening suit.....	110. 00
Six suits white service uniform.....	180. 00	One double-breasted coat, vest, and	
One heavy overcoat, uniform.....	75. 00	pants, citizen's.....	100. 00
One medium overcoat, uniform.....	60. 00	One diagonal coat, vest, and pant, citi-	
Five dozen white shirts.....	270. 00	zen's.....	75. 00
Four suits heavy underclothing.....	24. 00	One diagonal light-weight coat, vest,	
Four suits medium underclothing.....	20. 00	and pants, citizen's.....	70. 00
Eight suits light underclothing.....	40. 00	One heavy business suit, coat, vest,	
Four dozen pairs socks.....	36. 00	and pants, citizen's.....	65. 00
Twelve neckties.....	12. 00	One light business suit, coat, vest, and	
Four dozen handkerchiefs.....	36. 00	pants, citizen's.....	65. 00
One mattress.....	25. 00	Four suits, white flannel, coat, vest,	
Two pillows.....	6. 00	and pants, citizen's.....	140. 00
Twelve sheets.....	12. 00	One heavy overcoat, citizen's.....	80. 00
Twelve pillow cases.....	6. 00	One spring overcoat, citizen's.....	60. 00
One pair blankets.....	6. 00	One hat, citizen's.....	8. 00
One eider-down coverlet.....	60. 00	One hat, derby.....	5. 00
Six dozen towels.....	36. 00	One dispatch bag.....	25. 00
Two dozen napkins.....	12. 00	One Gladstone bag.....	20. 00
Eight dozen pajamas.....	40. 00	One sole-leather trunk.....	45. 00
One pair slippers.....	5. 00	Four large trunks.....	80. 00
Six pairs shoes.....	72. 00	One chest.....	10. 00
One silver tea set.....	125. 00	Two umbrellas.....	20. 00
One silver hot-water kettle.....	65. 00	Two walking sticks, silver-mounted...	30. 00
One silver hand glass.....	35. 00	One saddle and bridle.....	75. 00

List of articles destroyed by fire at the time of the burning of the Windsor House, at Yokohama, Japan, during the night of February 8, 1886, etc.—Continued.

One banjo.....	\$55.00	One suit waterproof	\$16.00
One set boot trees	8.00	One India-rubber bag.....	3.50
One French dictionary, Spier & Surren- nes	8.00	One dozen white lisle-thread gloves....	6.00
One Italian dictionary.....	6.00	Six pair dog-skin gloves.....	12.00
One lot books, assorted.....	50.00	One dozen pair eyeglasses	36.00
One heavy silk scarf.....	8.00	One silver mug	25.00
Four pair trousers, citizen's	80.00	One shaving outfit.....	7.00
One pair hair brushes.....	10.00	One traveling rug	15.00
One tortoise-shell comb.....	3.50		
		Total amount	4,108.50

The above is, to the best of my recollection and belief, a correct list of articles destroyed by fire at the time of the burning of the Windsor House, at Yokohama, Japan, the same being my personal outfit for a three-years' cruise on the Asiatic Station, under orders Navy Department.

JAMES B. TOLFREE,
Pay Inspector, U. S. Navy.

Sworn and subscribed to before me this the 26th day of June, 1890.

HORATIO N. CLAPP,
Notary Public, Kings County, N. Y.

Your committee are of the opinion that the sum of \$1,000 would furnish a reasonable outfit for this officer, and recommend that the bill do pass, with an amendment striking out the words "four thousand dollars," and inserting in the place thereof, "one thousand dollars."

Senate Report No. 404, Fifty-first Congress, first session.

MARCH 6, 1890.—Ordered to be printed.

Mr. HALE, from the Committee on Naval Affairs, submitted the following

REPORT:

[To accompany S. 2775.]

The Committee on Naval Affairs, to whom was referred the bill (S. 2775) for the relief of Paymaster James E. Tolfree, U. S. Navy, having had the same under consideration, beg leave to submit the following report:

A bill of this same character and identical in its provisions was considered by this committee during the first session of the Forty-ninth Congress, and favorably reported to the Senate on June 3, 1886. The committee are still of the same opinion, and report the bill without amendment with the recommendation that it do pass, and append hereto and make part of this report the former report made on June 30, 1886.

The bill also passed the Senate in the Fiftieth Congress.

[Senate Report, No. 1421, Forty-ninth Congress, first session.]

The Committee on Naval Affairs submit the following letter as the committee's report on Senate bill 2399:

U. S. FLAG-SHIP TRENTON,
Yokohama, Japan, March 8, 1886.

Sir: In obedience to your order of the 5th instant we have the honor to report as follows: Paymaster James E. Tolfree having been ordered to join the *Trenton* at this place, and arriving several days before the *Trenton*, had taken up his quarters at the Windsor. Upon the arrival of the *Trenton*, on the afternoon of the 7th ultimo, Paymaster Tolfree reported for duty on board, but being unable to occupy his quarters, Paymaster Lyon not having been detached, he returned to the Windsor House. At a little past 4 on the morning of the 8th ultimo the Windsor House was discovered to be on fire; Paymaster Tolfree, upon awaking, found his room full of smoke and lighted by flames from the fire, which was in an adjoining room. Hastily throwing on a few clothes he rushed into the hotel corridor to arouse the inmates of the other rooms.

In ignorance of the extent of the fire, stopping to take nothing but two small handbags from his room, he tried to render what assistance he could to clear the hotel of guests, who were dazed by the smoke. After going down-stairs he went to the trunk-room, where most of his luggage was stored, and endeavored to drag therefrom a box containing books and blanks, the property of the United States, as well as the payrolls, final returns, and other papers appertaining to his last quarterly accounts as paymaster of the U. S. R. S. *Vermont*. This box was too heavy for him to handle alone, he could obtain no assistance, and was finally driven by the flames to relinquish his attempt to save the property.

The flames were so rapid in their advance that there appears to have been little time to look to the saving of anything but human life. We learn that several of the inmates of the house barely escaped with their lives. That the contents of the box

above mentioned were entirely destroyed there can be no doubt, and we are of the opinion that Paymaster Tolfree should be held free from blame for their loss both as to their being at the hotel and as to his failure to save them from the flames.

The following is a list of the public property destroyed, so far as can be ascertained from Paymaster Tolfree:

One book containing fifty sets blank bills of exchange, with accompanying letters of advice, blanks, etc.

Pay officers' pay-rolls, books, blanks, etc. Book containing complete set of Navy Department circulars, book of instructions, pay tables, naval registers, etc. Rough pay-rolls, final returns, etc., appertaining to accounts of R. S. *Vermont* and U. S. S. *Dispatch*.

Paymaster Tolfree was accompanied by his clerk, Mr. Charles Blake, who had also reported for duty on board the *Trenton*, and who had under his charge a few books and pamphlets belonging to the United States, which were destroyed. The entire outfits of Paymaster Tolfree and Pay Clerk Blake for three years were stored at the hotel and were destroyed.

Very respectfully,

ASA WALKER,
Lieutenant, U. S. N.
WM. T. SWINBURNE,
Lieutenant, U. S. N.
THEO. B. M. MASON,
Lieutenant, U. S. N.

Rear-Admiral JOHN LEE DAVIS, U. S. N.,
Commanding U. S. Naval Force on Asiatic Station.

Approved.

JOHN LEE DAVIS, U. S. N.,
Commanding U. S. Naval Force on Asiatic Station.

U. S. FLAG-SHIP TRENTON (2d rate),
Yokohama, Japan, March 3, 1886.

SIR: I have the honor to inform you that after having, in obedience to orders from the Navy Department, reported to you for duty on the arrival of the *Trenton* from Nagasaki, Sunday afternoon, February 7, 1886, I returned for the night to the Windsor House, where my luggage was stored, there being no quarters for me on board until Paymaster Lyon could transfer accounts.

That night, a few minutes after 4 o'clock, the hotel was found to be on fire. The wind was blowing in such a way at the time as to cause the flames to speedily envelop the building, leaving the occupants only opportunity to escape, and giving them little chance to save property.

The hotel building was completely obliterated, and, in addition to losing my entire outfit provided for a three years' cruise, I had the misfortune to lose a quantity of Government books and blanks, including one book containing fifty sets blank bills of exchange intended for use on this station, besides the pay-rolls, final returns, etc., appertaining to my last quarterly accounts of the U. S. R. S. *Vermont*.

The above-mentioned books, blanks, returns, etc., were packed together in one large chest, which I endeavored to drag out of the burning building, but, from its weight, was unable to do so.

Accompanying me in the hotel was Charles Blake, pay clerk, U. S. Navy, who had reported with me for duty the day before, and who also lost his entire outfit, saving only the one suit in which he escaped from the building.

In view of these facts I deem it my duty to ask that proper steps may be taken to relieve me from the responsibility for these serious losses, and also to account for my being out of the ship after having reported for duty under your command.

I am, sir, respectfully, your obedient servant,

JAMES E. TOLFREE,
Paymaster, U. S. Navy.

Rear-Admiral JOHN LEE DAVIS, U. S. N.,
Commanding U. S. Naval Force on Asiatic Station.

CALVIN GUNN.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. WILLCOX, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 420.]

The Committee on Claims, having had this bill under consideration and being fully satisfied with the report made to the Senate the first session of the Fifty-first Congress by Senator Jones, of Arkansas, from the Committee on Claims, do adopt the same; which report is as follows:

[Senate Report No. 1307, Fifty-first Congress, first session.]

The Committee on Claims, to whom was referred the bill (S. 420) for the relief of Calvin Gunn, have had the same under consideration, and report it back to the Senate with the recommendation that it be amended as hereinafter set forth, and that as amended the bill pass.

It appears from the subjoined letter from the Secretary of the Treasury that the sum of \$1,130.78 should have been paid to Gunn, the claimant, in the case numbered 1387 in the district court in St. Louis in the year 1868, and that the sum of \$700 was actually paid into the Treasury of the United States which should have been paid to said Gunn.

Gunn claims that no part of the \$1,130.78 was paid to him, but as the sum of \$430.78 of this amount was not paid into the Treasury, and as Gunn set up against the Government no claim for any part of the entire sum until after the death of the collector, the committee believe that at this late day the presumption ought to be conclusive against Gunn that the collector actually paid him the sum not turned into the Treasury.

In the other case it appears that only the amount due the Government was paid into the Treasury. The entire sum was in the hands of the collector, under the instructions of the court to pay Gunn his share and to deposit the remainder in the Treasury. Years elapsed after this, and Gunn made no complaint of not receiving his share until after the death of the collector. There is nothing in the Treasury Department to show whether or not the collector paid Gunn, but the committee believe that the presumption in this case ought to be against him, and they recommend upon the whole case that the words "one thousand six hundred" in lines 6 and 7 of the bill be stricken out, and that the words "seven hundred dollars" be inserted in lieu thereof, and that "fourteen hundred and six" in line 11 be stricken out, and that as amended the bill pass.

CLERK'S OFFICE, HOUSE OF REPRESENTATIVES,
Washington, D. C.

I, John B. Clark, Clerk of the House of Representatives of the United States, do hereby certify that the accompanying written matter is a true and correct copy of a paper on file in this office.

Given under my hand and the seal of the House of Representatives this the twelfth day of December, A. D. 1887.

[SEAL.]

JNO. B. CLARK,
Clerk House of Representatives.

TREASURY DEPARTMENT, *March 5, 1886.*

SIR: I have the honor to acknowledge the receipt of your letter of the 1st instant, inclosing bill (H. R. 5313) for the relief of Calvin Gunn, and requesting that the Committee on Claims be furnished with all information on file in this Department relating to the same. In reply I have to say that it appears from papers on file in this office that on January 5, 1880, two applications were received from Calvin Gunn asking that informers' shares in two cases be paid to him under section 179 of the act of June 30, 1864 (13 Stat. 305), as amended by the act of July 13, 1866 (14 Stat. 145), which prescribed that the person who should first inform of the cause, matter, or thing whereby a fine, penalty, or forfeiture should be recovered by the Government, should have such share of the same "not exceeding one moiety, nor more than five thousand dollars in any one case," as the Secretary of the Treasury should, by general regulations, provide. Under this authority the Secretary of the Treasury issued a circular August 14, 1866, in which he prescribed that the share of an informer should be 50 per cent. on the first \$500, 40 per cent. on the next \$1,500, 30 per cent. on the next \$2,000, etc.

The two cases in which Mr. Gunn claimed to be the informer were tried and disposed of in the district court of the United States for the eastern district of Missouri, at the February term, A. D. 1868, and, as appears by the certificate of the clerk of said court on file in this office, were docketed, as follows:

In case No. 1387 of the United States, ex rel. Calvin Gunn, against 30 barrels distilled spirits and the steam-boat Lyre, her engines, etc. Information under the internal-revenue laws of the United States.

In case No. 1406 of the United States, ex rel. Calvin Gunn, against 60 gallons distilled spirits et alia. Information under United States internal revenue laws.

I.

In case No. 1387 the clerk of the court certified that the proceeds of sale amounted to \$3,184.64, and that the costs amounted to \$248.69, leaving \$2,935.95

"Residue of fund to be paid to Barton Able, esq., collector internal revenue, first district of Missouri, to be distributed by him as required by law, in the proportion prescribed, to the United States and to Calvin Gunn, informer."

This certificate was regarded as satisfactory proof of the fact that said court had ascertained and declared Mr. Gunn to be the informer, as required by said section 179 in cases where a court imposed or decreed a fine, penalty, or forfeiture.

It further appears from the certificate of said clerk that said Barton Able, collector of internal revenue, receipted on April 11, 1868, to the registrar of said court for "the sum of \$2,935.95, being amount of the fine (forfeiture) in the above-entitled case, in accordance with the order of said court made on the 6th day of April, 1868."

It further appears from a statement of the Commissioner of Internal Revenue on file in this office, "that Collector Able accounted to the United States for the sum of \$2,505.17, proceeds of sale in case No. 1387 U. S., ex. rel. Calvin Gunn, vs. 30 bbls. distilled spirits, et alia." This amount was not deposited to the credit of the Secretary of the Treasury, but to the credit of the Treasurer of the United States, and was carried into the Treasury in the usual manner.

It will be seen that Collector Able received	\$2, 935. 95
But deposited only	2, 505. 17

Deficiency	430. 78
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What disposition was made of this difference has not been explained. Mr. Able died before Mr. Gunn's application was received. Mr. Gunn has filed his statement that he never received any part of the share due him under the law. His share of the whole amount paid to Collector Able would have been \$1,130.78, and the share of the United States, \$1,805.17; total, \$2,935.95.

The whole amount deposited was	\$2, 505. 17
Deduct the Government's share	1, 805. 17

The portion of informer's share received by the Government	700. 00
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Even that amount was not paid to Mr. Gunn on his application, because the Secretary of the Treasury held as follows:

"TREASURY DEPARTMENT, *January 17, 1880.*

"It being alleged that this claim accrued in 1868, about eleven years before it was presented to this Department, and it not appearing that claimant has been under any disability to prosecute the same, the presumption is that the claim is unfounded or has been satisfied, and it is therefore rejected."

This rejection seems to have been based upon the assumption that by analogy the statute of limitations was applicable. But as a matter of fact there was no such statute governing cases of this kind, and the right of the Secretary to set up a limitation in such cases was subsequently expressly negated by the Supreme Court of the United States in the case of *Taylor vs. United States* (104 U. S., 216).

There is no doubt that the entire amount of the informer's share (\$1,130.78) should have been paid to Mr. Gunn directly by Collector Able. The question now arises whether the Government should pay him any more than it received (\$700) from Mr. Able. On this question I think it hardly necessary for me to express an opinion. I, however, transmit herewith an affidavit made by Mr. Gunn, setting forth the unsuccessful efforts made by him to obtain from Collector Able the amount due him in this case.

II.

In case No. 1406 the clerk of the court certified that the proceeds of sale amounted to	\$1, 096. 69
And that the costs, etc., amounted to	643. 90

Leaving	452. 79
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"Residue ordered to be paid to Barton Able, esq., collector internal revenue first district of Missouri, to be by him distributed to the use of the United States, and to Calvin Gunn, informer herein, in the proportions as prescribed by law."

It further appears, from the certificate of said clerk, that said Barton Able, collector of internal revenue, receipted on the 17th day of June, 1868, to the registrar of said court for "the sum of \$452.79, being the amount of the residue of fine (forfeiture) in the above entitled case, in accordance with the order of said court, made on the 16th day of June, 1868."

It further appears, from a statement of the Commissioner of Internal Revenue, on file in this office, that said Barton Able "accounted to the United States for its share (\$226.39) of the proceeds in case No. 1406 U. S. Ex rel. Calvin Gunn vs. Sixty Gallons Distilled Spirits." What disposition was made of the other half of the sum received by Mr. Able in this case under the order of the Court has not been explained, though Mr. Gunn alleged in his application that he had "never received, or been paid, any portion of the moiety due him in said case as informer." Mr. Gunn's claim in this case was not allowed by the Secretary, because only the share of the Government had been deposited with the United States Treasurer.

In connection with this point I would refer the committee to the language of said section 179, which says "that no right accrues to, or is vested in, any informer in any case until the fine, penalty, or forfeiture in such case is fixed by judgment or compromise, and the amount or proceeds shall have been *paid*, when the informer shall become entitled to his legal share of the sum adjudged or agreed upon and *received*."

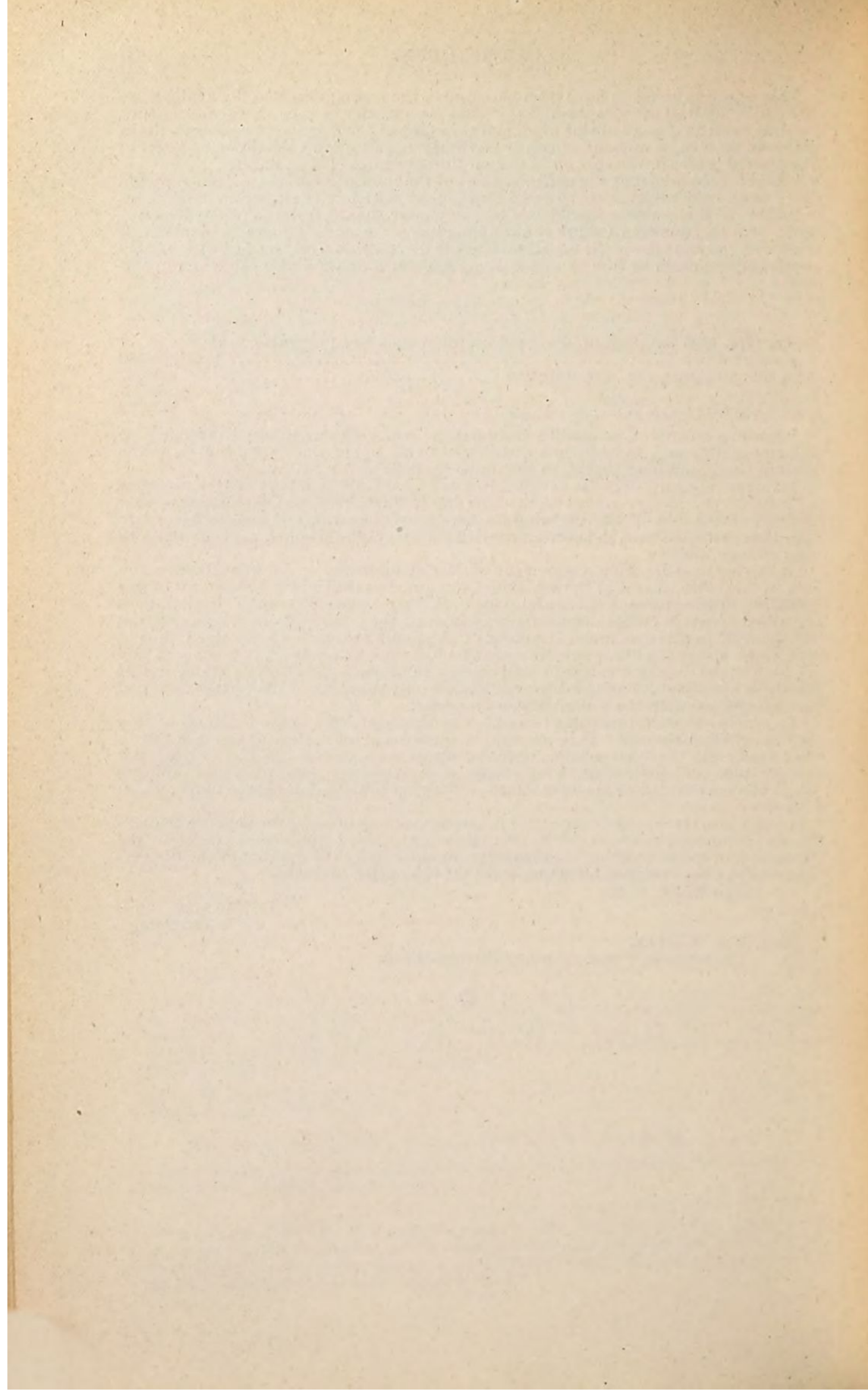
In this case the proceeds were paid into court, and by order of the court to the collector of internal revenue. Whether the money should have been placed in the Treasury, or to the credit of the Secretary, in order to fix the liability of the Government to pay the informer his share, is for the committee to decide.

Respectfully, yours,

D. MANNING,
Secretary.

Hon. WM. WARNER,
Committee on Claims, House of Representatives.





TERM OF CIRCUIT AND DISTRICT COURT AT LITTLETON,
N. H.

FEBRUARY 24, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. STEWART, of Vermont, from the Committee on the Judiciary, submitted the following

REPORT:

[To accompany S. 3482.]

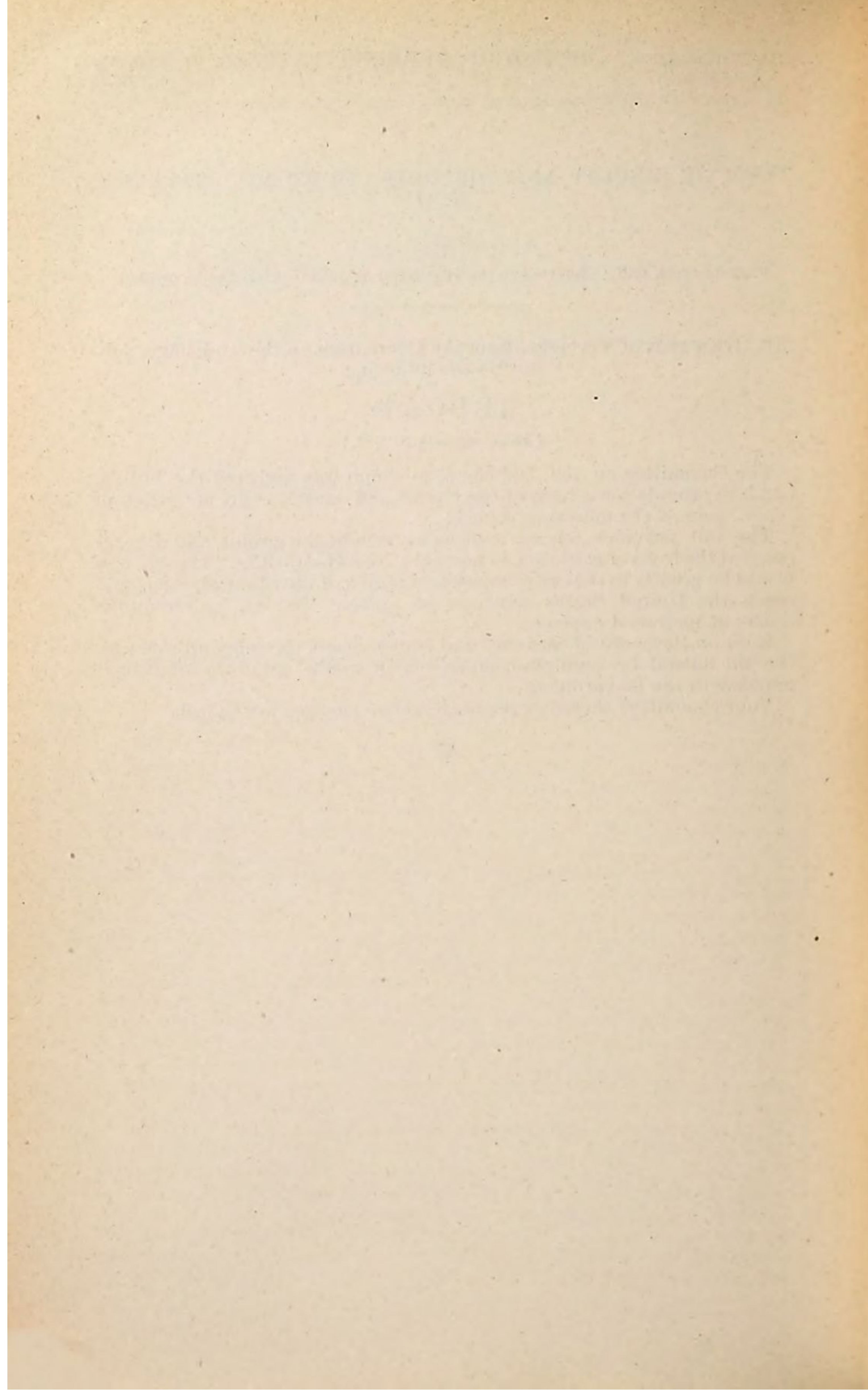
The Committee on the Judiciary, to whom was referred the bill (S. 3482) to provide for a term of the circuit and district court at Littleton, N. H., submit the following report:

The bill provides for an additional term of the circuit and district court at the town of Littleton, in northern New Hampshire. This change would be greatly to the convenience of a region of the State whose people reach the United States court, as at present located, by circuitous routes at increased expense.

Both on the score of economy and convenience, the relief afforded by the bill should be granted, especially as it would entail no additional expense to the Government.

Your committee therefore recommend the passage of the bill.





GEORGIE ANN PORTER.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. NUTE, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 13686.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 13686) granting a pension to Georgie Ann Porter, widow of the late Admiral David Dixon Porter, of U. S. Navy, having considered the same, report as follows :

The records of the naval service show that Admiral Porter's career was one of great distinction and usefulness to his country. His active service in the Navy has covered a period of 62 years. He was appointed a midshipman on February 2, 1829, attached to frigate *Constellation*, Mediterranean squadron 1830; frigate *United States*, same squadron, 1833-'34; attached to ship of the line *Delaware*, 1835; promoted to passed midshipman June 4, 1836. On coast survey duty 1837-'40. Commissioned as lieutenant February 27, 1841; frigate *Congress*, Mediterranean squadron, 1843-'45. Naval Observatory, Washington, D. C., 1846. Lieutenant Porter was attached to home squadron, 1847, and actively engaged in the war with Mexico; was present at the two attacks on Vera Cruz, and one at Tuspan, and one at Tabasco; participated also in a land fight at Tamultee, and a similar engagement at Chifton; on coast-survey duty 1848-'49; on leave of absence 1850; Commanding Pacific mail steamer *Georgia* 1851-'53; on leave of absence 1854; commanding storeship *Supply* 1855-'57; attached to Portsmouth navy-yard, N. H., 1858-'60; promoted to commander April 22, 1861.

Lieutenant Porter volunteered to save Fort Pickens provided the President would give him the command of the *Powhatan* and furnish 600 troops with munitions of war to accompany the ship. This was done and the transport *Arctic* arrived off Fort Pickens with the soldiers and munitions of war, April 15, 1861, and the *Powhatan* on the morning of the 17th. In 24 hours the fort was rendered secure against any attack from General Bragg's army.

Nevertheless the general seeing two vessels lying close to the beach, and supposing them to be merchant ships supplying Fort Pickens, fitted out some 50 small vessels filled with troops and started from Pensacola to capture the ships and reduce the fort. When within range of the *Powhatan's* guns Lieutenant Porter fired the 11-inch gun, loaded with shrapnel, at the flotilla, which immediately returned to Pensacola. He also sent 2 shells into the navy-yard then occupied by the Confederates and dispersed the enemy. These were the first hostile guns fired by

the Navy in the civil war and this event took place 3 days after the surrender of Fort Sumter.

Lieutenant Porter was promoted to commander April 22, 1861. He recommended to the Secretary of the Navy a naval attack on New Orleans with Capt. David G. Farragut as commanding officer, which was ordered, and he was detailed to command the mortar flotilla. For his able services in the attack upon Forts Jackson and St. Philip at the time of the passage of Farragut's fleet to New Orleans, Commander Porter received a letter of thanks from the Secretary of the Navy in the name of the President.

After the capture of New Orleans Commander Porter accompanied Farragut's squadron to Vicksburg with his mortars to assist in silencing the batteries, and on June 28, 1862, Farragut passed the latter under cover of the fire of the mortar boats. In compliment to Porter for his services with Farragut he was ordered to the command of the Mississippi River squadron as acting rear-admiral, and took command October 15, 1862.

On December 12, 1862, Acting Rear-Admiral Porter, in conjunction with General Sherman, who had under his command 30,000 troops, made an expedition against Vicksburg, which being unsuccessful, the expedition was turned against Arkansas Post on Arkansas River. At this place was a strong earthwork, mounting thirteen heavy guns in a commanding position. The fleet attacked the works January 11, 1863, while General Sherman was getting his troops in position to surround the Confederate army.

At the end of three hours' bombardment by the gunboats *Cincinnati*, *Baron de Kalb*, and *Louisville* and several smaller vessels, the Admiral using a tug in the thick of the fight for a flagship, the fort surrendered to the Navy while the Army surrendered to General Sherman. For the capture of Arkansas Post Admiral Porter received the thanks of Congress by name. When the regular siege of Vicksburg began General Grant took command in person on January 29, 1863. During the operations before Vicksburg Admiral Porter ran by the batteries with all the ironclad gunboats, while General Grant marched with an army of 36,000 men to Grand Gulf. At that place heavy fortifications barred the passage of the Army. Admiral Porter attacked Grand Gulf April 29, 1863, and after a severe contest of over 5 hours at close quarters the enemy evacuated the works and blew up a majority of the forts. Thus within 10 days the naval forces after dismantling the forces at Grand Gulf had ascended Red River, dismantled the works at Fort de Rusey, broke up an immense raft intended to obstruct Red River, captured Alexandria, destroyed a large amount of the enemy's stores at Black River, and returned to Grand Gulf, where it was found General Grant had moved his army towards Vicksburg.

The siege lasted over 5 months and Vicksburg surrendered, July 4, 1863, to General Grant. Acting Rear-Admiral Porter was made a Rear-Admiral for his services at Vicksburg, and received for the second time the thanks of Congress by name.

He was given command of the North Atlantic Squadron on September 22, 1864, and prepared his fleet to operate against Fort Fisher. The expedition started from Hampton Roads, December 14, 1864. The first attack was discontinued owing to the withdrawal of the troops that were to coöperate, but when, at Porter's urgent request, General Terry was sent in command of the troops, on January 13 and 14, 1865, a combined attack by the Army and Navy resulted in the capture of Fort Fisher after one of the most heroic and brilliant engagements of the war. For

this victory, which reduced the last rebel stronghold on our coast, Rear-Admiral Porter for the third time received the thanks of Congress by name.

Congress having created the grade of General and Lieutenant-General of the U. S. Army for Generals Grant and Sherman, also established the relative grades of Admiral and Vice-Admiral of the U. S. Navy for Admirals Farragut and Porter, the latter being commissioned as Vice-Admiral in July, 1866.

General Sherman and General Sheridan, by special acts of Congress, were successively promoted to the grade of General, and with the death of the latter the grades of General and Lieutenant-General expired.

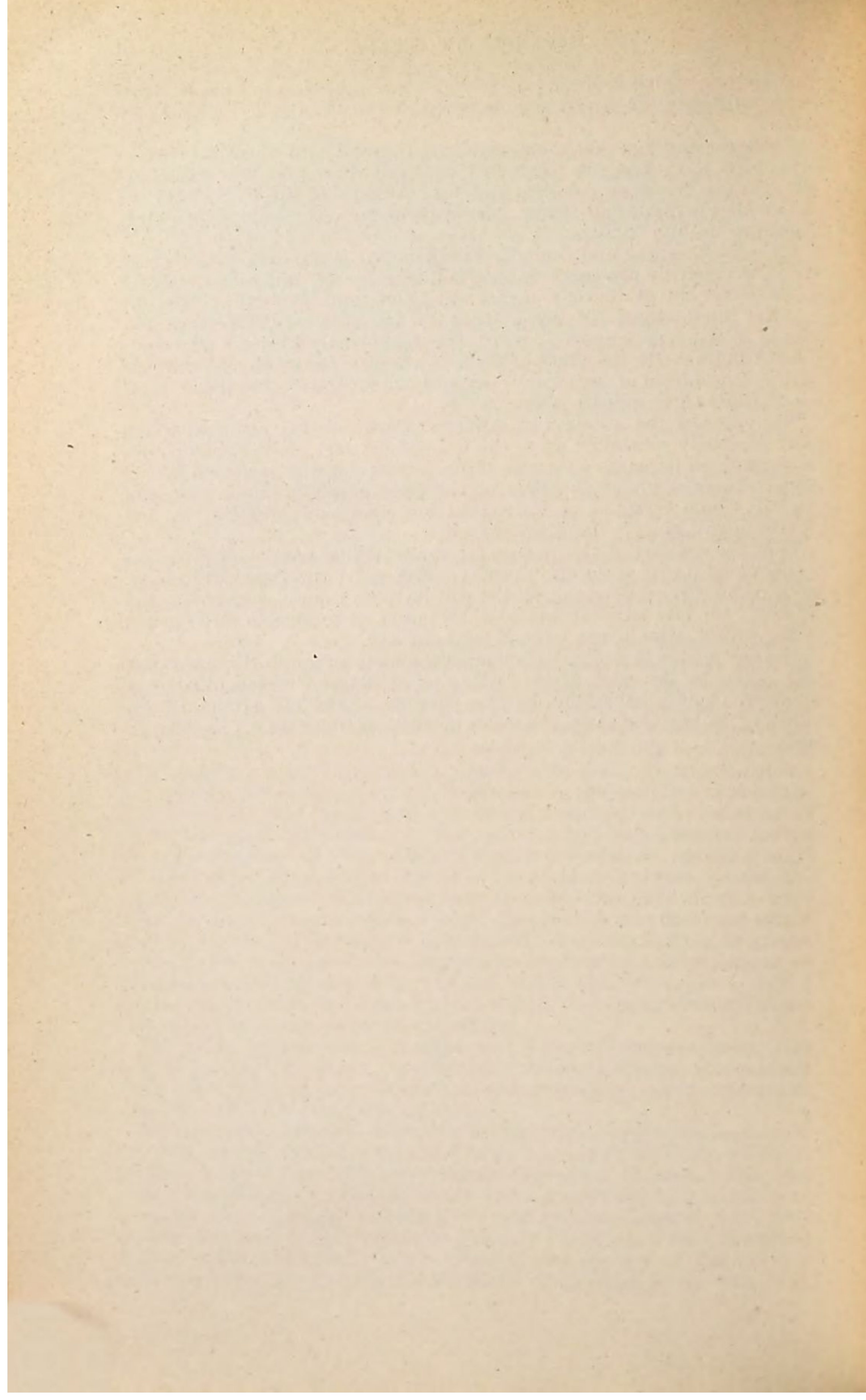
After the death of Admiral Farragut Vice-Admiral Porter was promoted to Admiral August 15, 1870, and Rear-Admiral Rowan was made Vice-Admiral. By the death of these two officers the grades of Admiral and Vice-Admiral of the Navy, created to honor the distinguished service of those three officers, also expired.

The value of the services of Admiral Porter to his country, which were zealously continued up to the time of his last sickness, can only be considered in connection with the priceless victories for the national cause achieved under the lead of the great chieftains upon land and sea, of whom Grant, and Farragut, and Sherman, and Porter, and Sheridan will always stand preëminent.

That the comfort of the remaining years of his aged widow should be provided for by a grateful country, every patriotic citizen will insist. Your committee understand that it will be more than a year before the estate of the late admiral can be so disposed as to furnish any income to the widow, who is now over 72 years of age.

The committee therefore recommend the same action in this case that was taken in the case of the widow of Admiral Porter's illustrious compeer, General Sheridan, by the passage of the bill (H. R. 13686) granting to Georgie Ann Porter a pension at the rate of \$2,500 per year.

O



ALONZO D. BARBER.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. YODER, from the Committee on Invalid Pensions, submitted the following

R E P O R T :

[To accompany H. R. 11310.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 11310) granting an increase of pension to Alonzo D. Barber, have examined the same and report :

This soldier served faithfully during the war of the rebellion as a private in Company I of the Fifty-fifth Regiment Ohio Volunteers, infantry, and was honorably discharged. His officers testify that he was an exceptionally good soldier.

Shortly after his discharge, while engaged in the patriotic act of saluting the recurrence of the 4th day of July, his eyesight was totally destroyed by the premature discharge of a cannon. He was a young man relying wholly upon his daily labor for subsistence. The loss of his eyesight has prevented him from following any remunerative employment, and for nearly a quarter of a century this faithful soldier has lived in darkness and groped his way through the world. Notwithstanding this great calamity, he has maintained his cheerfulness and made no complaint. He is a man of excellent character and habits, but on account of his disability is able only to eke out a bare subsistence for himself and family.

A few years since he applied for and was granted a pension of \$6 per month for disability arising from disease of the lungs. He is now beginning to feel the infirmities of age, and it seems but just that this man, who faithfully and gallantly served his country in her hour of need, should not now be forgotten in the time of his need.

The principle of granting pensions for disabilities incurred since discharge has been recognized by Congress, and the committee feel that this poor soldier presents a case loudly calling for the application of the principle. They therefore recommend that the bill do pass, amended, however, by striking out the words "seventy-two," in line 7, and inserting therein instead the word "thirty."

JOSEPH W. RHINEHALT.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. YODER, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 10129.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 10129) granting an increase of pension to Joseph W. Rhinehalt, have examined the same and report:

This soldier, by special act of Congress approved June 1, 1886, was granted a pension at the rate of \$20 per month—\$13 for total deafness and \$7 for gunshot wounds in the thigh and hand.

Congress afterwards, by general act approved August 27, 1888, fixed the rate of pension for total deafness at \$30 per month. The claimant applied, after the passage of that act, to the Pension Bureau for an increase of his pension to \$37 per month, the amount to which he would be entitled under the general law; but his application was rejected on the ground that his original pension having been granted by special act, he was not entitled to increase under the general law, but must look to a special act for such increase.

It seems to the committee that this is a meritorious case. The claimant, who is totally deaf and also suffering from two wounds occasioning a disability rated by his former special act at \$7 per month, is now getting, on account of his total deafness, only \$13 per month, while all pensioners under the general law are receiving \$30 for the same disability. Justice demands that he receive the same.

The committee therefore recommend that the bill do pass, amended, however, by striking out the words "thirty-seven," in line 6, and inserting therein instead the word "thirty."

CLAIM OF UNITED STATES TO LOT IN DETROIT, MICH.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. CULBERSON, of Texas, from the Committee on the Judiciary, submitted the following

REPORT:

[To accompany H. Res. 238.]

The Committee on the Judiciary to whom was referred the joint resolution (H. Res. 238) entitled "Releasing the claim and interest of the United States to a certain lot in Detroit, Mich.," report that they have examined the facts in the case and recommend the passage of the resolution.

By the act of April 21, 1806, the governor and judges of the Territory of Michigan, were authorized to lay out the city of Detroit, excepting a military reservation to be designated by the President. The designation was made and a portion of what is now known as section 2 on the plot of the city of Detroit was included in it.

On May 20, 1826, an act was approved, granting to the mayor and aldermen of said city, all public grounds at Detroit theretofore occupied for military purposes, reserving and excepting, however, the public storehouse, arsenal lot, and one other lot on which the building occupied by the military storekeeper was situated, the last lot embraced the eastern portion of what is now lot 18, in said section 2. By act of May 28, 1830, the governor and judges of Michigan were required to, and under its provisions, actually did, report a plan of their laying out of said city; one copy to be deposited with the secretary of the Territory and the other with the Secretary of State, at Washington, to be laid before Congress.

The report was transmitted to the Secretary of State, and the plan reported showed that said lot 18 with dimensions of 40 feet 9 inches in depth was included in it, and that the western part of the lot occupied by the military storekeeper was part of lot 18. The western part of said lot passed by due conveyance into the possession of Gen. Lewis Cass. Sometime in 1832, General Cass, by his attorney, conveyed the whole of said lot 18 to Henry Glover, who has had possession of said lot ever since, and has erected costly buildings on it. It is supposed that General Cass had a legal title to the entire lot, but it now appears that the title to a few feet of the eastern portion of it is not of record.

The value of the lot at the time it was bought by Glover was not more than \$500. Glover has had possession of it for nearly 60 years and the United States during that time and during some time before, has neither used nor claimed to use any part of it. If the case was between private parties there is no doubt that he could maintain a title against every claimant.

A search through the Departments here fails to show a title in General Cass to the eastern portion of the said lot.

By the act of June 28, 1832, the President was authorized to dispose of such part of the military reservation of Detroit as was not wanted for military purposes, and under that act the public storehouse lot, arsenal lot, and all of the other lot, upon which the building of the military storekeeper was situated (all reserved under the act of May 20, 1826), were disposed of, except the strip of the last named lot (military storekeeper's) which was included in the governor and judge's plan, reported to the Secretary of State for the information of Congress as constituting part of said lot 18, which was sold to Glover by General Cass. Our opinion is that this strip was sold by the Government to General Cass.

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NATHAN PLUMMER.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. REYBURN, from the Committee on Claims, submitted the following

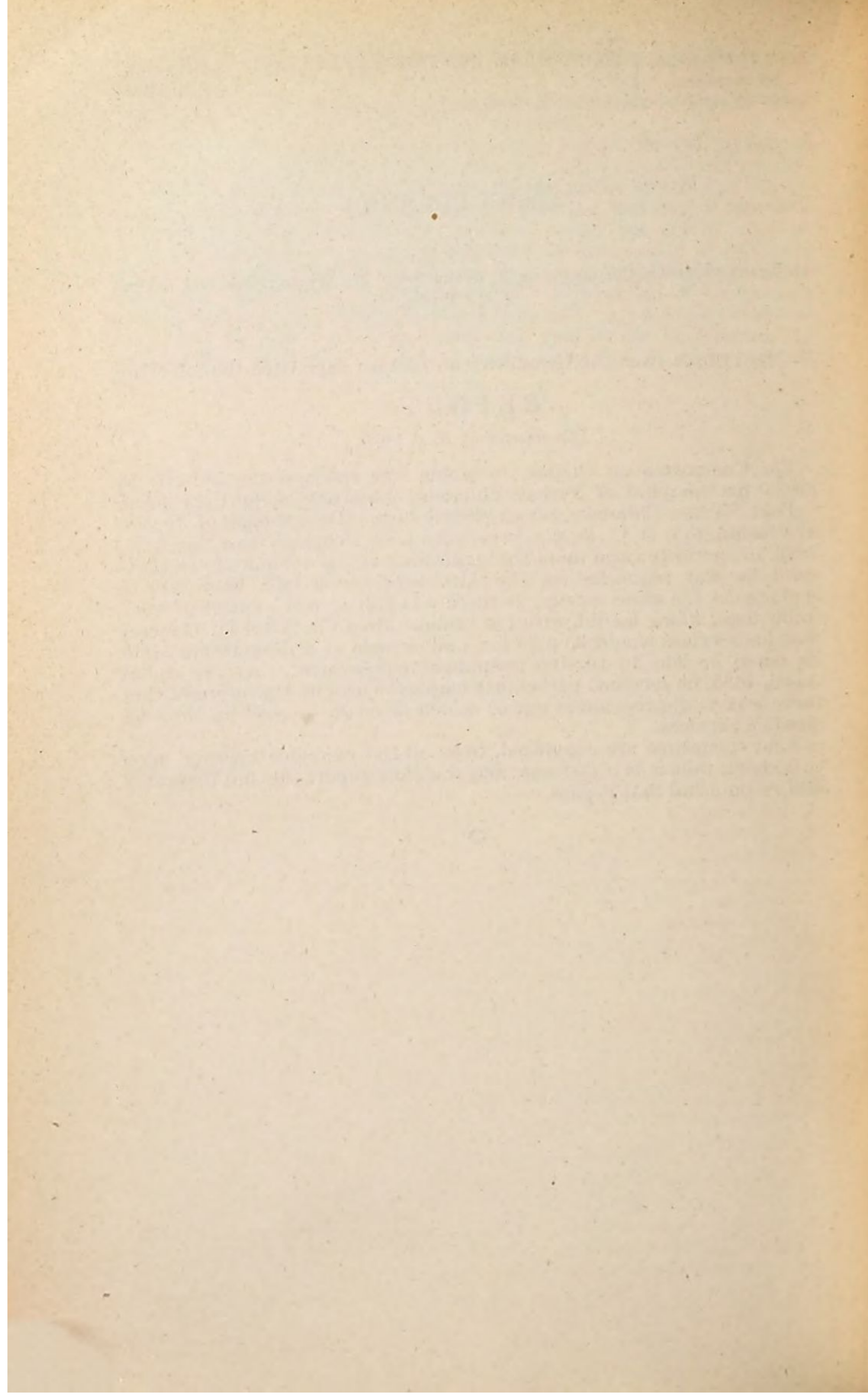
REPORT:

[To accompany H. R. 11036.]

The Committee on Claims, to whom was referred the bill (H. R. 11036) for the relief of Nathan Plummer, submit the following report:

That Nathan Plummer was employed in the Department of Justice at Washington, D. C., as expert penman from February 1 to March 31, 1883, temporarily; and upon the expiration of his temporary employment he was requested by the Attorney-General (Mr. Brewster) to continue at the same service, as there was still a great amount of work to be done, which he did, with the promise from the Attorney-General that his services would be paid for, and as soon as arrangements could be made he was to receive permanent employment. At the end of April, 1883, he received permanent employment, but was informed that there was no appropriation out of which he could be paid for the past month's services.

Your committee are convinced, from all the evidence bearing upon this claim, that it is a just one, and therefore report the bill favorably and recommend that it pass.



NATIONAL NEW HAVEN BANK.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. WILLCOX, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 1861.]

The Committee on Claims, to whom was referred the bill (S. 1861) for the relief of the National New Haven Bank of the State of Connecticut, beg leave to report the same, with the recommendation that it do pass. A similar bill (H. R. 4473) was favorably reported by your committee during the first session of the Fifty-first Congress, and a report thereon (No. 820), which was agreed to, and so fully sets forth the facts that your committee adopts the same and makes it a part of this report. Your committee further recommends that H. R. 4473 lie upon the table.

John W. Griffiths entered into contract with the Navy Department to construct the U. S. sloop *Enterprise*, at the Kittery navy-yard, in 1875 or 1876, and was to have the use of the work-shops, machinery, tools, etc., of the yard for that purpose. Before the vessel was fully completed the work-shops were closed by order of the Navy Department, and said Griffiths was consequently delayed in his work, and his mechanics prevented from prosecuting their labors, and he was otherwise damaged by the stoppage of the work-shops, during the progress of the work on his contract for constructing said *Enterprise*. He made a claim on the Navy Department for such delay, damage, and wages paid his employés, during such suspension, of \$12,500. The Chief the Bureau of Construction and Repair appointed a Board of Constructors of the Navy to examine and consider this claim, with orders to report to the Bureau. The following is a copy of the report of said Board :

NAVY DEPARTMENT, BUREAU OF CONSTRUCTION AND REPAIR,
February 27, 1877.

SIR: In obedience to your orders we have carefully considered the claim of John W. Griffiths for damages caused by the stoppage of the work-shops at the Kittery navy-yard during the progress of the work on his contracts on the U. S. sloop *Enterprise*, and consider his claim of \$12,500 excessive. There was no doubt detention and much inconvenience caused by such stoppage on the work, and we are of the opinion that \$3,000 would be fair and ample compensation therefor. We also recommend the payment of the following claims for the pay of persons employed by Mr. Griffiths during the suspension of the work-shops:

Engineer and fireman.....	\$160.00
Blacksmiths and helpers	65.90
Foreman and shipwrights, fitting bilge keelsons.....	293.25
For detention as above.....	3,000.00
Total	3,519.15

Very respectfully, your obedient servants,

EDWARD HARTE, Naval Constructor, U. S. N.
R. W. STEELE, Naval Constructor, U. S. N.
J. FEASTER, Assistant Naval Constructor, U. S. N.

Chief Constructor I. HANSCOM, U. S. N.,
Chief of Bureau Construction and Repair, Washington, D. C.

The next day after the date of this report, February 28, 1877, the Navy Department, through the Bureau of Construction and Repair, issued the following final settlement certificate, in triplicate, to John W. Griffiths for the exact amount reported by said Board :

The U. S. Navy Department, Bureau of Construction and Repair. To John W. Griffiths, Dr.

[Appropriation—"Construction and Repair," 1876-'77.]

In full settlement of his claim for damages sustained by reason of the closing of the workshops at the Kittery yard, while the U. S. steam-ship *Enterprise*, built by him under contract, was under construction; being full and final payment on that vessel and in full for all claims and demands under contract or for extras of whatever name or nature—as per report of board, dated February 27, 1877. On file in bureau \$3,519.15
\$3,519.15.]

NAVY DEPARTMENT, BUREAU OF CONSTRUCTION AND REPAIR,
Feb'y 28th, 1877.

Approved in triplicate for the sum of three thousand five hundred nineteen and $\frac{15}{100}$ dollars, payable by the paymaster at Washington.

I. HANSCOM,
Chief of the Bureau.

This full and final settlement certificate was made payable by the paymaster at Washington, and in the hands of Mr. Griffiths was an ascertained and absolute debt against the United States. Said Griffiths failing to realize his money from the paymaster, probably because the appropriation had been exhausted (reason immaterial), took the said certificate to New York and applied to P. W. Gallaudet, note broker, corner of Wall street and Broadway, for a loan on said certificate. Mr. Gallaudet, as agent for said Griffiths, called the attention of Wilber F. Day, President of the National New Haven Bank of the State of Connecticut, to this certificate, and recommended it as good collateral security for a loan of \$3,000, when indorsed by said Griffiths. Mr. Day came to New York and took the certificate to the Navy pay office in that city, where he was told by Mr. Roach, chief clerk of said pay office, that the certificate was regular, the signatures genuine, and that it would be paid in proper time. Mr. Gallaudet told him he had had many similar certificates, and they were always paid.

After this said John W. Griffiths, on or about the 9th day of January, 1888, made his certain promissory note in writing for \$3,000, payable four months from date, and gave the same to said National New Haven Bank of the State of Connecticut, together with the said Navy certificate, indorsed by him, and blank receipts on the back signed by him, as collateral, and said note was duly discounted by said bank. At the maturity of said note the same was not paid, but was duly renewed at the request of the maker for three months longer, but said second note was not paid at maturity (the same being among the papers before your committee), and on or about the 27th day of November, 1878, at the city of New York, the said Griffiths being duly notified by mail, the said Navy certificate was duly advertised for sale at public auction, in accordance with the stipulation contained in said note, and being so sold was regularly purchased at such sale by said Wilber F. Day for said bank, as the highest bidder, for \$3,100, and the said bank has been ever since, and is now, the lawful holder and owner of said Navy certificate. All these facts appear from evidence before this committee.

Your committee is satisfied from evidence received from the Navy Department that said Navy certificate has never been paid by that Department, and believing it to be a legal and equitable claim against the United States, report the accompanying bill and recommend its passage.

P. B. SINNOTT.

FEBRUARY 24, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. RAY, from the Committee on Claims, submitted the following

REPORT:

[To accompany S. 632.]

The Committee on Claims, to whom was referred the bill (S. 632) for the relief of P. B. Sinnott, late Indian agent at Grande Ronde Agency, in the State of Oregon, respectfully recommend its passage.

The committee have heretofore fully considered House bill No. 4155, for the relief of the said Sinnott, which bill is identical in language with the Senate bill, and have reported it to the House (Report No. 1202) with a favorable recommendation.

The substitution of the Senate bill for the House bill is recommended and that the latter lie on the table.



TO INCREASE THE PENSION OF T. R. DICE.

FEBRUARY 24, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 10986.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 10986) to increase the pension of T. R. Dice, submit the following report:

T. R. Dice is now a pensioner at \$4 per month for disease of rectum contracted while serving as private in Company G, Thirty-third Missouri Volunteers. He also alleges neurasthenia, and medical examination shows a slight degree of disability therefrom. But its origin in service is not yet established.

Your committee are unable to discover any grounds upon which to base favorable action on the bill, which proposes to increase Dice's pension from \$4 to \$17 per month, and therefore return the same with the recommendation that it lie on the table.



ANDREW J. SUTLIFF.

FEBRUARY 24, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 7650.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 7650) granting a pension to Andrew J. Sutliff, submit the following report:

Andrew J. Sutliff was a member of Company A, Thirty-third Regiment Enrolled Missouri Militia, and alleged in his application for pension that he contracted disease of lungs and throat, deafness of left ear, and also incurred a wound of left shoulder while in said service. In a subsequent statement he admitted that the wound of left shoulder and deafness of left ear were not of army origin. The only other disability, disease of lungs and throat, are not pensionable under existing laws in cases of members of militia organizations, even if a claim therefor had been completed prior to July 4, 1874, as provided by paragraph 3, section 4693, Revised Statutes, and in cases of wounds or injuries received while in battle only.

Your committee have invariably declined to consider favorably the claim of militia men for pension based upon disease contracted in such service, and fail to find any reason why an exception should be made in the case under consideration.

The bill is therefore returned with the recommendation that it lie on the table.

ROBERT H. METCALF.

FEBRUARY 24, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 10987.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 10987) granting a pension to Robert H. Metcalf, submit the following report:

Robert H. Metcalf was a pensioner at \$10 per month on account of left inguinal hernia, shown to have been contracted while serving as private in Company A, Ninth Regiment Missouri State Militia. His name was dropped from the pension roll October 3, 1888, on the ground that the disability had ceased to exist. A claim for his restoration has been rejected because subsequent medical examination likewise failed to disclose any disability from alleged cause.

Metcalf has also a claim for deafness still pending, which if not allowable under the old law, unquestionably will receive favorable consideration under the act of June 27, 1890.

Your committee have invariably declined favorable consideration of cases coming under existing laws, and fail to discover any reason why an exception should be made in the case now under consideration.

The bill is therefore returned with the recommendation that it lie on the table.

DR. ROSS CRAMER.

FEBRUARY 24, 1891.—Laid on the table and ordered to be printed.

Mr. LANSING, from the Committee on Military Affairs, submitted the following

ADVERSE REPORT:

[To accompany H. R. 12954.]

The Committee on Military Affairs having had under consideration House bill 12954 report the same back adversely with a recommendation that it lie on the table.

It appears from the affidavits filed with the committee that Dr. Ross Cramer was a lieutenant of Company F, Fourth New York Volunteers. The said soldier was dishonorably discharged the service in April 1863, on the finding of a court martial. The offense of which he was found guilty was a refusal to obey the orders of a superior officer, such refusal was made in profane and disgusting language. It appears by the affidavit filed that Cramer was not the guilty party. Admitting this to be the fact it is apparent that knowing who the guilty party was he declined to disclose the name. This of itself was such a breach of military discipline as to warrant severe treatment. Cramer lived until 1887, never having applied for the correction of the record. Over 3 years after his death his widow asked for the change of the record for the purpose of obtaining a pension.

Your committee think the facts presented do not warrant the passage of the bill.

S. B. BELL.

FEBRUARY 24, 1891.—Laid on the table and ordered to be printed.

Mr. CARLTON, from the Committee on Claims, submitted the following

ADVERSE REPORT:

[To accompany H. R. 10650.]

The Committee on Claims, to whom was referred the bill (H. R. 10650) to pay S. B. Bell the sum of \$95 on account of a warrant drawn November 19, 1844, by John Miller, auditor of public accounts for the Territory of Florida, submit the following report:

Your committee have carefully considered the same and are of the opinion that the United States should not be liable for the debts of the State of Florida, and therefore think the claimant had better appeal to that State for his claim.

The committee, therefore, recommend that this bill do not pass.

KERNAGHAN VS. HOOKER.

FEBRUARY 25, 1891.—Ordered to be printed, and lay over.

Mr. ROWELL, from the Committee on Elections, submitted the following

REPORT:

At the election held in the Seventh Congressional district of Mississippi on November 6, 1888, Henry Kernaghan and Charles E. Hooker were the Republican and Democratic candidates, respectively, for the office of Representative in Congress. According to the declared result of the election, Hooker received 8,491 majority.

In due time, and in accordance with law, Kernaghan filed his notice of contest, alleging, in substance, that the commissioners of election in the several counties of the district were not appointed, as provided by law, by the governor, lieutenant-governor, and secretary of state, but were in fact appointed by one D. P. Porter, deputy secretary of state and chairman of the Democratic executive committee of the Seventh Congressional district; that in making such appointments the recommendations of the Republican executive committees were ignored and boards were appointed either composed entirely of Democrats or with a Republican minority member who could be controlled by his Democratic associates; that in appointing precinct judges the county commissioners of election, in violation of law, either appointed boards composed entirely of Democrats or with one illiterate Republican; that in holding the election fraudulent registrations were made, false counting resorted to, ballot boxes stuffed, United States supervisors prevented from discharging their duty, violence and intimidation resorted to to keep voters from the polls, and that other like frauds were prevalent, with the result of changing a majority for contestant into a minority.

Answer was duly filed by Hooker denying the charges, and testimony was taken by both parties upon the issues joined.

While the committee have reached the conclusion that upon consideration of the whole evidence, and restating the result so far as the evidence enables us to do so, contestee has remaining a majority of the votes cast, yet the facts developed in the evidence are such as to require more than a formal report. The Seventh Congressional district of Mississippi is composed of the counties of Claiborne, Copiah, Franklin, Hinds, Jefferson, Lincoln, Madison, Rankin, and Simpson. According to the census of 1880 it appears that the population of the district was 179,484, of which 115,823 were colored and 63,632 were white, and that the adult males were 36,327; the colored majority being from 10,000 to 12,000, or not quite 2 to 1.

At the election of 1872, prior to the historic "revolution," in which was inaugurated what is known as the "shotgun policy" of carrying elections, the vote in this district for secretary of state was as follows:

Counties.	Republican.	Democratic.	Total.
Claiborne	2,238	486	2,724
Copiah	1,811	1,900	3,711
Franklin	440	530	970
Hinds	4,011	354	4,365
Jefferson	1,698	454	2,152
Lincoln	824	640	1,464
Madison	2,601	48	2,649
Rankin	1,058	1,123	2,181
Simpson	307	508	815
	14,988	6,043	21,031

It is the concurrent testimony in this record and in other Mississippi records examined by the committee that the great mass of colored voters are Republicans and vote the Republican ticket when they vote at all. There are in this district a good many white Republicans, especially in the city of Jackson, the capital of the State. Upon that question the Ledger, a Democratic paper published at Tupelo, in this district, in its issue of November 15, editorially says:

Their old and flimsy pretext heretofore for being Republicans—that they were fearful that they would be put back into slavery—was completely exploded by the present Democratic administration, which has been more friendly to the negroes' interest than the Republicans ever were. But with all this, the negroes in this State turned a deaf ear to their best interests and voted for Harrison for President, for the sole and express purpose of being in opposition to the white people of the south. * * * There are a few good and true negro Democrats in Mississippi, but a large majority of them are insolent, turbulent Republicans.

The whole article is printed in the Record, pp. 529, 530.

Judge Lee says:

My opinion is that the negroes, if free to vote, would vote for a Republican against any Democrat, although there are a small number of them, comparatively, who vote the Democratic ticket. (Record, page 370.)

He also says:

That there are a considerable number of white Republicans in the district, and that the negro voters largely outnumber the white.

In the light of recent events it will hardly be claimed anywhere that any considerable number of negroes in the Seventh district of Mississippi, or, indeed, anywhere in that State, willingly vote the Democratic ticket. It does not follow, however, that because they are in a majority in the Seventh district, therefore the result of any election must necessarily be a victory for the Republicans. If, from lack of organization, failure to register, or indifference as to results, they fail to vote, while their opponents do not neglect this political duty, the result will necessarily be defeat. It is claimed by contestee in this case that these were among the causes of the Republican defeat.

The record discloses that to some extent the Republicans of the Seventh district were indifferent, that they lacked organization, and that many of them neglected to see to it that they were properly registered. It is claimed that this indifference resulted in part from a belief, based on past experience, that their votes would not be counted even if they did vote.

Charles W. Carraway, a leading planter and a friend of contestee, testified as follows (Record, pp. 495-497):

Int. 8. When fair elections are held at Dry Grove, what is the usual Democratic and Republican vote at that poll?

(Objected to as incompetent and irrelevant, for the reason that the answer is made to depend upon the witness's opinion of what is a fair election, and because a statement of fact of which better evidence exists.)

A. Can not recall but one fair election since I have been a voter, and can only judge from the registration books, knowing the politics of most of the people. As fair elections have so seldom been had there, no one could tell what the vote would be, *the majority knowing it would be useless to go and vote.*

(Objected to as incompetent and irrelevant, because, after saying that he does not know, the witness proceeds to give his opinion of the politics of and alleged majority that he says does not vote, and because of reference to the registration books, of which neither the original nor copies are produced.)

Int. 9. Why do they know it to be useless to vote there?

A. *Because the vote is never counted as cast.*

(Objected to as incompetent and irrelevant, stating the mere opinion of the witness.)

Int. 10. What is the number of Republican voters in that precinct?

(Objected to as incompetent and irrelevant, stating the mere opinion of the witness.)

A. Never counted them and could not guess within a hundred, some having left the county who have since returned, and a good many names having been erased from the poll-books for that reason, I suppose, but I believe *there are over nine hundred registered voters on the books now, and, if they are correct, ninety per cent. are Republicans.*

* * * * *

X-int. 11. Why did they not provide a substitute for the box, as allowed by law, and vote?

A. It would have done no good; *the Democrats would have counted it to suit themselves, or the mules would have eaten the box the following night.*

(Objected to as not responsive to the interrogatory.)

X int. 12. Do you know of any other reason?

A. There are few white Republicans there, and *unless white men took hold on both sides, the negroes know it is of no use.* I would have insisted on voting, but I believe *the people would have objected and caused some trouble.* I was in no way interested, only to pacify the negroes and keep them from leaving, not knowing the Republican candidate, and *Col. Hooker being a personal friend, and whom I have always supported for Congress, regarding him as the only Democrat from the State that ever did us any good at Washington.* I mean in recent years.

Judge Lea, who was called on behalf of contestee, in response to a question asked by contestee's counsel, said (Record, p. 370):

A. Such is the belief of a number of the more intelligent Republicans of the State. The evils which have resulted from what is commonly called negro rule, which have existed in the past, *is the reason assigned by the Democrats in the State as justifying the lawless measures which have been resorted to for the purpose of preventing negro domination; to which, I will add, I am as much opposed as anybody.*

The result of the election as declared, together with the adult white and colored males in the district, is shown in the following table:

Counties.	Adult white males.	Adult colored males.	Votes returned for Kernaghan.	Votes returned for Hooker.
Claiborne.....	799	2,620	13	602
Copiah.....	2,580	2,842	458	2,269
Franklin.....	900	901	203	779
Hinds.....	2,593	7,166	945	2,215
Jefferson.....	837	2,559	363	684
Lincoln.....	1,504	1,139	211	851
Madison.....	1,214	4,036	343	2,031
Rankin.....	1,339	1,778	509	1,543
Simpson.....	947	571	193	755
Total.....	12,713	23,612	3,238	11,729 3,238
Hooker's majority.....				8,491

The total vote for Congressman is seen to be less than 15,000. If this announced result is a correct exhibit of the vote as cast, and contestee was supported only by the whites, he received within 1,000 of the total white voting strength of the district, while 20,000 negroes failed to vote, counting the population as in 1880.

But this return does not show the true result of the election. The commissioner of election in many of the counties of the district did not have the confidence of the Republicans. When there was a Republican representative on the board he was not the man of their choice, was not trusted by the party, and in some instances was not regarded as a Republican. It should be borne in mind that—

The election commissioners hold in their hands the entire election machinery of their counties; they establish and abolish election precincts at will; they revise the registration and poll books, erasing names therefrom as occasion demands; they sit as a court to decide appeals from the circuit clerk when complaint is made that registration is improperly refused; they appoint all election officers in their counties, including peace officers to preserve order at the voting places; they receive, compute, and return the whole vote of their counties; and to exercise these great powers and delicate trusts the concurrence of only two of the three commissioners is required. (*Buchanan vs. Manning*, Digest Election Cases, 1882-'83, p. 307.)

In the appointment of precinct inspectors of election these commissioners in the main disregarded the law, and either appointed boards composed entirely of Democrats, or, in apparent compliance with the statute, appointed one illiterate Republican who was incompetent to discharge the duties of the office. It is impossible to resist the conclusion that these illegal appointments were not made in the interest of an honest election. It was said in the case of *Buchanan vs. Manning*, above cited:

The appointment of the managers of the election, in fairness and common decency, should be made from opposite political parties. A refusal to do so, in the face of a statute directing it to be done, may in some cases be evidence of fraud, and it might form an important link in a chain of circumstances tending to establish a conspiracy.

As showing the unlawful methods resorted to to diminish the Republican vote, we quote the following from the record.

W. H. Gibbs (Rec., p. 525) testifies as follows:

The meeting (held at Brandon, the home of the contestant, the day before election) was addressed by ex-Chief Justice H. F. Simrall. Mr. Kernaghan was present and presided. He introduced Judge Simrall. The speaker was interrupted in the progress of his speech by a young lawyer commonly known as "Coote" White, who said that as Judge Simrall had asked the question, "How long these ballot-box outrages and intimidations were to continue in this country?" he wanted to answer his question by saying that they would last just so long as such men as Judge Simrall went around organizing the negroes and urging them to vote against the white people of the country. That is about the substance of what he said, if not the exact language. Judge Simrall replied that he was not arraying the negroes against the whites or seeking to do so. He proceeded then to finish his speech, and had about concluded when he was again interrupted by another gentleman, Mr. Pat Henry, another lawyer, who asked Judge Simrall some question, which I don't now recollect, to which Judge Simrall replied very courteously, as I thought, but which Mr. Henry said was not an answer to the question he had asked, and then said that "we don't propose that this crowd shall leave this house till they have heard our side of the question. Upon this a crowd in the northeast corner of the court-house, probably fifteen or twenty, commenced to get upon the desk and shout, "Close the doors!" Several pistols were drawn, and "Coote" White presented a pistol at Mr. Kernaghan. Some of the crowd attempted to leave the building, but were prevented by the doors being closed and guards placed there to keep them in. "Coote" White then went up into the stand and commenced to try to make a speech. The noise and confusion was so great that he couldn't be heard until the sheriff was sent for, who came up, and after some time succeeded in restoring order. White then proceeded with his speech, in which he said that they had carried the elections by force in times past and they would do it again this time. The balance of his speech didn't amount to very much. He only spoke a few minutes. The doors were then opened and the crowd allowed to depart.

This testimony is corroborated by other witnesses; and "Coote" White, who was one of contestee's attorneys in taking testimony, was not put on the stand.

R. H. Truly, a lawyer and independent Democrat, testifies as follows: (Red. p. 480.)

Int. 1. State your name, age, residence, and occupation.—Ans. R. H. Truly; 55 years; Fayette, Jefferson Co., Miss.; lawyer.

Int. 2. If you were present at Fayette on the Tuesday preceding the Congressional election of 1888, state what you may know of any arrangement for a Republican meeting there on that day, and of any interference with any Republicans; state fully all you know of what happened there that day.—Ans. Yes, I was present; Mr. Kernaghan had given notice through the public prints and through posters that he would address the citizens of Jefferson County on that day at Fayette; Mr. Kernaghan came to town in a buggy with a colored man named Jones, from Claiborne County, I believe; four or five gentlemen, Democrats, waited on Jones and told him if he had any business of more importance anywhere else than there, that he had better get away; I went to those gentlemen, all being friends of mine, and asked them what they meant; they told me at first that Jones was there with the Republican tickets, to distribute it, and that they wanted him to leave; I told them that that was all foolishness; that there were hundreds of negroes there who could distribute their tickets as well as Jones, and that their actions were liable to injure Col. Hooker's cause; they then said that he was a rascal and a very disreputable character; I asked them if they knew him, and they said no, but that Mr. Spencer had told them so.

(The foregoing answer objected to as incompetent and irrelevant, constituting no evidence pertinent to the issue involved in this contest and in no wise showing that any fraud or intimidation occurred at the election in question.)

Inter. 2. State what you may know on information as to what the said Jones did after having been so notified:

(Objected to as irrelevant to the issue involved, and because the question calls for hearsay.)

Ans. I was told that Jones became very much frightened and immediately went to the depot to take the train to leave; there being no train, he walked out to Harrison, and that he burned the Republican tickets he had in his possession.

(Answer objected to as mere hearsay.)

Int. 3. If you were present at Fayette on election day, November 6, 1888, state whether or no there were any colored voters in attendance there; and if so, how many, and whether they voted or not; and if not, why not.

(Objected to as incompetent and irrelevant, as in no wise affecting the issue involved in this contest.)

Ans. I was present on that day; there was a considerable number of colored voters in attendance; I presume about 300, possibly more; out of that number there were, I think, three that voted the Democratic ticket; none of the others voted; there were no Republican tickets at that box is the reason, I presume, why they all didn't vote.

(Answer objected to as stating mere conclusion of the witness as to why the persons mentioned did not vote.)

Int. 4. Were the said voters who did not vote on said day solicited to vote the Democratic ticket; and if so, with what success.

(Objected to as incompetent, because the solicitation of votes is incidental to all elections, and the result of such solicitation upon those not voting being in no wise prejudicial to the result attained by those who do vote.)

Ans. Yes; there was a great deal of electioneering with the colored voters by the Democrats, and three of them voted the Democratic ticket.

Int. 5. To what political party do you belong?—Ans. I have always voted the Democratic ticket, but have been very independent in my views, and when the Democratic party's nominee didn't suit my views I didn't vote for either side; I have always voted for Col. Hooker, and warmly supported him, both against Maj. Barksdale and Mr. Kernaghan.

The testimony of Mr. Truly not only shows that the Republicans in Jefferson County did not have an opportunity to vote, because tickets were not distributed there, but it shows the Republicanism of the colored voters; that out of 300 present at Fayette, only 3 could be persuaded to vote the Democratic ticket, and the remainder refused to vote because there were no Republican tickets.

We also quote the testimony of E. W. Jones (Record, page 477).

Interrogatory 1. State your name, age, residence, and occupation.—Answer. E. W. Jones; 40 years; Jackson, Miss.; I have farming interests in Claiborne County.

Int. 2. How long have you resided at Jackson, Miss., and where was your residence before you came to Jackson?—Ans. I have resided in Jackson about 10 or 12 months; I formerly lived at Port Gibson, Miss.; was born and raised there.

Int. 3. If you were present at the town of Fayette, Miss., a few days previous to the election of 1888, state with whom you went there, for what purpose you went there, and all that happened to you there that day.—Ans. I was at Fayette, Miss., a few days before the election; I went there in company with Mr. H. Kernaghan; we arrived at Fayette about 12 or 1 o'clock; a short time after our arrival a crowd of men, eight or ten in number, all white, came to Mike Howard's office; Mr. Kernaghan, myself, and Lewis Robinson, chairman of the Republican committee of Jefferson County, were in the office in consultation as to the best time to have our speaking at that point. We had gone there for the purpose of having a Republican meeting on that day. One of the crowd of men that came to the office spoke in a loud tone of voice, and said, "Come out here!" I was sitting near the door, and asked him, "Who?" "You, by God!" was the answer. I went out on the sidewalk and there found 10 or twelve men. They asked me what I wanted there; I told them I had come to accompany Mr. Kernaghan, at his request; they told me that I should leave that town on the first train, or they would make it red-hot for me; I asked what I had done, whether I was disturbing anybody or not. Several of the crowd spoke almost at once, and said, "By God, we don't care to debate it with you at all." At that time Mr. Kernaghan came to the door and said to the crowd, "Don't disturb this man; I brought him here; I am the one if you want to disturb anybody, and not him." The reply was, "We are not going to have any Radical speaking here by anybody." Some one in the crowd said, "We propose to manage our own affairs," or words to that effect. I then went back into Mike Howard's office; Mr. Kernaghan went out, and said to me to stay there a few minutes till he came back; I went to the door a few seconds afterwards, the crowd of men having returned to the hotel, some 20 or 30 steps off.

I saw Col. Chas. E. Hooker sitting in a chair on the sidewalk at the hotel; these gentlemen were all standing around him; I came out of the office and started to go up to where he was; Lewis Robinson, the chairman of the committee, told me I had better not go up there, that I would get into trouble; I thought he knew best, and didn't go; I then sent a messenger to Mr. R. H. Truly, asking him not to let them interfere with me if he could help it; he sent me a message that he would do all in his power to see that I wasn't disturbed. Mr. Kernaghan returned in a short while, and said we would have to abandon the meeting; Mr. Lewis Robinson, chairman of the committee, agreed with us that we could not hold a meeting there. A short time afterwards a messenger came in and notified me that it had been asserted on the streets by white men that I had in my possession Republican tickets, and that was why they were after me. I will state that I had 2,000 Republican tickets for the Fayette box. I then went to the depot alone and on foot; I tried to get somebody to accompany me there, as I felt uneasy. When we first reached Fayette that day there were two or three hundred colored people in the street; in twenty minutes after the excitement I couldn't find a colored man to go to the depot with me; I met a friend while en route to the depot who advised me not to be caught with the tickets; I went to the residence of J. D. Weston, south of the depot; I had the tickets in my valise; I took them out and put them in the fire and burnt them up; the train came a short time afterwards and I got on it and went to Harriston; some of the same crowd who had ordered me from Fayette were at Harriston, and followed me around the depot and every other place that I went around there; commenced abusing me by cursing me, etc.; I tried to remonstrate with them by telling them I hadn't disturbed anybody; I met a white friend of mine there and appealed to him to go aboard of the train with me, and he did so; I there took the train and went through to Vicksburg.

(Objected to as incompetent and irrelevant, for the reason that the events related occurred some time prior to the election, and were not in themselves of the character to affect its validity.)

Int. 4. Who was this white friend who protected you at Harriston?—Ans. M. R. Jones, of Carlisle, Miss.

Int. 5. Was the crowd who attacked you in Fayette quiet and peaceable in their behaviour, or boisterous and angry?—Ans. They were apparently angry, using curse-words for almost every expression.

Int. 6. Were matters at that time on the streets of Fayette quiet or excited?—Ans. Up to the time the crowd came to the office they were quiet. The moment I came to the door the negroes seemed to understand it and commenced squatting and dodging.

Int. 7. You have said that when you first went there there was a large number of colored people in the town, and that after this attack on you you could not find a colored man to go to the depot with you; what become of them?—Ans. They left the streets; I could not tell where they went.

Int. 8. Was there any noise, or disturbance, or shooting, or fast riding on the streets of Fayette that day?

(Objected to as leading and incompetent.)

Ans. I heard no shooting or fast riding, and know of no disturbance except that already told about.

Int. 9. At the time you came to the door of the office, when the crowd was standing on the sidewalk cursing, as you have described, was Col. Hooker then sitting on the sidewalk, at the place you have stated?

(Objected to as leading and incompetent.)

Ans. I don't think he was at that immediate time, but he was a few minutes afterwards, but he was sitting there, though, when the crowd went back.

Int. 10. You have stated that, up to a few months since, your home has been in Claiborne County. Were you in Claiborne County at any time previous to election day in 1888; if so, when and at what places?—Ans. I was at Port Gibson on the 29th of October, and attended a Republican meeting there that day.

Int. 11. Are you well acquainted with the colored people of Claiborne County?—Ans. I am; know almost the name of every man in the county.

Int. 12. What is the politics of the colored voters of that county?

(Objected to as incompetent and irrelevant, because it asks about the politics of the colored people in general, and this contest relates to a particular election, and because it calls for mere matter of opinion.)

Ans. Republican; and they vote the Republican ticket almost to a man.

Int. 13. State, if you can, what party has the majority of votes in Claiborne County when the elections are fairly held, and what its majority is in said county.

(Objected to as calling for mere matter of opinion, and because it is immaterial in contesting this particular election.)

Ans. The Republican party has a majority of 2,500 or 3,000; and it always went that way in fair elections.

Int. 14. What is the registered vote of Claiborne County, and what part of it is white and what colored?

(Objected to as incompetent and irrelevant, the registration books, or copies thereof, being the best evidence, and because the number of registered voters, as shown by the registration books, is no evidence of the number of votes actually cast, nor the candidate who received them.)

Ans. The registered vote is about 2,000 properly, about 700 of whom are white and the others colored. Only about half the voters are registered.

(Objected to because the witness assails in general terms the correctness of an official record prepared by competent authority under the laws of this State, without producing the records or a copy thereof, and without showing that any person entitled to registration has ever been refused.)

Int. 15. State why such a large part of the voters are not registered in said county, and how long such has been the condition of the registration there.

(Objected to as incompetent and irrelevant, as calling for mere matter of opinion about facts not affecting the validity of this particular election.)

Ans. It is because of the general methods of the Democrats of Claiborne County in carrying elections, no matter which way the votes are cast, that a large portion of the Republicans have refrained from registering on that account.

Int. 16. Have they had a new registration in Claiborne County of late years, and if so, in what year was it, or is the county using its old, original registration books?

(Objected to as incompetent and irrelevant, because neither of said books or copies thereof are introduced, and because the witness is in no way connected with said books, as custodian or otherwise.)

Ans. They have had a new registration in 1886 or 1887.

(Answer objected to because the fact that the county is using new registration books in no way affects the validity of the election in question.)

Int. 17. Did the Republican voters of Claiborne County generally vote in the last election, that of November, 1888, and if not, why not?

(Objected to as incompetent and irrelevant, because the mere failure of persons to vote does not prejudice an election, no matter what their politics is, and because the question calls for mere matter of opinion.)

Ans. They did not vote, but very few, at this last election. It was because the Republican executive committee had asked to have a county commissioner appointed and was refused. One Henry Weekly was appointed against their protest. It was then decided by the committee that we would have no show, that we would have no commissioner to look after our interests. I was at that time and still am a member of the committee, and recommended A. M. Addison as commissioner, but they refused to appoint him.

Int. 18. Who was this Henry Weekly, and what was his political status, and by whom was he nominated as the Republican county commissioner?

(Objected to as incompetent and irrelevant, the matter of the appointment of the election commissioners being a matter confided to the discretion of a State board that is in no way bound by outside nominations, suggestions, or interference.)

Ans. He is a colored man who has been always known to be a man used by the Democrats of Claiborne County, and who voted the Democratic ticket. I do not know by whom he was nominated, but not by the Republican executive committee, or any member of it, as far as I know.

Int. 19. What is his business, and can he read and write well?—Ans. He is a carpenter by trade, and can scarcely write his name; I don't know that he can read at all.

Int. 20. Can he read writing or only print?—Ans. My impression is that he can not read writing, as he has scarcely any qualifications at all.

Cross-examined:

X Int. 1. What is the nature of your farming interests in Claiborne County?—Ans. My mother lives there and has farming interests, and I assist her, and am interested with her.

X Int. 2. Have you no other occupation?—Ans. I have; I am engaged in selling lands, and have an intelligence office here.

X Int. 3. What is the nature of the intelligence office?—Ans. Furnishing labor to planters and others.

X Int. 4. What time in the day did Mr. Kernaghan tell you at Fayette that there would be no speaking?—Ans. It was probably as late as three o'clock in the evening or afterwards.

X Int. 5. How long was that before or after the party told you to leave?—Ans. The party had told me to leave at least an hour before that time.

X Int. 6. How long was it after Kernaghan told you there would be no speaking before you left on the train for Harriston?—Ans. About an hour.

X Int. 7. Who was the person who came and told you that you had been disturbed because you had Republican tickets for distribution?—Ans. His name I do not know; he was a colored man.

X Int. 8. Was he a Democrat or a Republican?—Ans. I couldn't say.

X Int. 9. Had you shown the tickets to any one that day?—Ans. I had only shown them to the chairman of the Republican executive committee, Lewis Robinson; a few others, whose names I don't know, were present when I showed them.

X Int. 10. Was any one present when you burnt them?—Ans. There was, Mrs. J. D. Weston.

X Int. 11. Had Col. Hooker spoken when you left Fayette, and if so, did you hear him?—Ans. I was informed that he was speaking when we reached Fayette; I did not hear him.

X Int. 12. What time did you reach Fayette?—Ans. Between 12 and 1 o'clock.

X Int. 13. Why did you not distribute the tickets during the several hours that elapsed before the men disturbed you?—Ans. It was because my intention to give them to Lewis Robinson, and he absolutely refused to take them, and said he wouldn't be caught with them for anything.

(So much of the answer as states what Lewis Robinson said objected to.)

X Int. 14. Were there no other persons there you could have left them with?—Ans. I saw no one else except Mike Howard, whom I met en route to the depot, and he refused to take them.

X Int. 15. Had you asked either Lewis Robinson, Mike Howard, or any one else to take them before the men waited on you?—Ans. I had told Robinson I had them, but did not offer them to him until I was about to start off. I did not offer them to any one else, except Howard, while going to the depot.

X Int. 16. Did you know the men who disturbed you at Fayette?—Ans. I only knew one man in the crowd.

X Int. 17. Were any of the Harriston people in Fayette that day?—Ans. I couldn't say.

X Int. 18. Did the people that you saw at Fayette and afterwards at Harriston go out on the same train with you?—Ans. Two of them did.

X Int. 19. Did not they live at Harriston or in the neighborhood?—Ans. My impression is that one of them lived at Red Lick, but I don't think the other did.

X Int. 20. Did General Hooker come out to Harriston on the same train with you?—Ans. I don't think he did; I didn't see him.

X Int. 21. When did you first see the men who disturbed you in Fayette?—Ans. They came up in a body in front of Mike Howard's door about half an hour after I reached Fayette.

X Int. 22. Had you seen them at all before you went to the door of the office to meet them?—Ans. I had not.

X Int. 23. Have you not related here this morning an incident that occurred during the present winter, in which a white planter, a Democrat, and socially and politically prominent, who had gone to Jefferson County to procure hands for his plantation in another county, was waited upon by residents of Jefferson County and told to leave?—Ans. I was informed that such an incident occurred, and told it here this morning.

X Int. 24. Was not Mr. Kernaghan invited to divide time with Colonel Hooker at Fayette that day?—Ans. I don't know that he was; Mr. Kernaghan has told me so since.

X Int. 25. Was not the meeting that Colonel Hooker addressed a general public meeting, at which persons of both parties and races were present?—Ans. I couldn't say; I was not present at any time during the speaking.

E. W. JONES.

We also quote the testimony of J. W. Cain:

Int. 1. State your name, age, residence, and occupation.—Ans. J. W. Cain; 23 years; Jackson, Miss.; am on the police force of the city.

Int. 2. If you were present at a Democratic meeting held in the capitol on the night of the 5th of November, 1888, being the night before the election, state what arrangements or agreements were made there, or after said meeting, by the parties there assembled, in regard to the firing of cannon, and how the same was afterwards carried out.—Ans. It was proposed that we were to fire the cannon early next morning, and some of the boys proposed to carry it through "Nigger Town" that night. They fired it out there perhaps a dozen times or more; stopped in some places and fired it in front of the houses. They stopped once in front of the colored hall, where they were holding some sort of a meeting, and the reason they didn't fire it there was that it was in front of a house where a woman was about to die, and some one came out and begged us not to shoot. We went to West Jackson then, and stopped in front of the lunch stand, and then came back to the capitol.

Int. 3. Were there many or few people went with the cannon, and how did they act and what did they do and say?—Ans. There were about 12 or 15 went with it. Some made the remark that it would be a good thing to carry it out there to bluff the negroes and keep them away from the polls.

Int. 4. Were they noisy or quiet in their travels with the cannon?

(Objection by contestee's counsel that the question is leading.)

Ans. They were very noisy.

Int. 5. If they used any threatening language while passing through the colored neighborhood, state what it was.

(Objection by contestee's counsel that the question is leading, and assumes the existence of a state of facts about which there has been no proof.)

Ans. Some said: "You damned black sons of bitches, you wouldn't come to the door to see what this cannon was being fired for if you knew the effect they were trying to have on you," and, "You had better not come to the polls."

Int. 6. If you know of any act of intimidation or violence committed in Jackson on that night, state the same fully.—Ans. That night, I suppose it was about 11 or 12 o'clock, after the meeting adjourned, I was in company with some gentlemen, Mr. Walt. Hendricks was one of them, Mr. Horace Perry was another, and walking on the V. and M. Railroad towards West Jackson. There is a house near the railroad belongs to Mrs. Spengler. There were some men there bursting in the door and cursing the niggers, telling them the damned sons of bitches had better keep away from the polls, if they didn't that every one of them would be killed, or language to that effect. They had some straps beating on the side of the house and said they wanted one of them out of that. Said they wanted Thornton Reynolds out of there. The men had handkerchiefs over their faces; they were masked. Some of them from the inside answered that the "nigger" was not in there. Then they commenced to burst in the window lights. After that they commenced a shooting. About 20 shots were fired into the house—at least that. The crowd dispersed after that. We started on towards West Jackson, and heard several shots in different portions of the town. We then changed our minds—not to go to West Jackson—and came back up town.

Int. 7. Of what ward are you a voter?—Ans. Of the South ward.

Int. 8. If you were present when the polls were opened in that ward on the 6th day of November last, state what time of day they were opened.—Ans. About half past ten or eleven o'clock.

Int. 9. Were you about the polls at nine o'clock that morning and from that till the polls were opened?—Ans. Yes, sir.

Int. 10. What was the reason that the polls were not opened sooner?—Ans. The reason was that there was a gentleman's name on the ticket spelled wrong. His name was "Candler" and they had it "Chandler."

Int. 10. On which ticket was this, and how did that delay the election?—Ans. Democratic ticket; had to wait till they could print some new tickets.

Int. 11. What number of people assembled at the polls between the hours of nine and eleven o'clock, before the polls were opened?—Ans. There were a good many came there and went away; don't know the exact number.

Int. 12. Were those people who so came and went away Republicans or Democrats?—Ans. Most of them were negroes; I couldn't say; most every negro is a Republican, especially in Presidential elections.

Int. 13. If you know of any bogus Republican tickets being brought to those polls that day, state fully what instructions were given in regard to them, and by whom the instructions were given, and who brought them there.—Ans. Mr. R. H. Henry brought them there. He brought the ones he gave to me. He had a big roll of them; he said they were bogus tickets; I think that's all he said. I commenced dishing them out, swapping tickets with the negroes. I gave some of them to Jim Hardy, and I gave one or two to Col. Hamilton. Mr. Joe White took some of the tickets from negroes to whom I had given them and said he was going off to measure them. I told Mr. Henry and he said, keep quiet—say nothing about them.

Int. 14. If you know anything of any conspiracy or proposed plan on foot on the night before the election to commit any violence on the person of any Republican or Republicans here, state who it was that proposed it and all about it.—Ans. I don't know of any that night.

Int. 15. Do you know of any such plan or proposition on foot just before said election?—Ans. Mr. L. F. Chiles said that he and Gen. Wm. Henry had been talking, and said it would be a good idea to take Charlie Morgan down in the swamp and tie him to a tree till after the election, as he was a leader among the negroes, and put somebody to watch him.

Int. 16. Were any propositions made by him or any one else for you and your friends to carry out this plan?—Ans. Yes, sir.

Int. 17. Who made such proposition?—Ans. Mr. L. F. Chiles.

Int. 18. What offices, if any, did Mr. Chiles hold at that time and now?—Ans. He was a deputy sheriff and alderman of the city of Jackson, and holds both of those offices.

Int. 19. To what political party do you belong?—Ans. I am a Democrat; I have always been, and have never voted anything but a Democratic ticket.

And on cross-examination :

X Inter. 90. Give us the name, dimensions, carriage, and history of the cannon used on that occasion.—Ans. She is named "Little Moses;" size a little over two feet long; bore about $2\frac{1}{2}$ inches in diameter; rigged on the wheels of a sulky plow; don't know its history; it is generally fired about election day, to let 'em know we are going to have a fair election and to announce meetings of the Democratic club.

* * * * *

Re-examined:

Int. 1. To whom does this cannon, "Little Moses," belong?—Ans. To a party of four—L. F. Chiles, A. G. Lewis, and A. J. Davis. I don't know who the other one is; may be Tuck Holland.

Int. 2. If Mr. Chiles holds any offices, state what they are.—Ans. Deputy sheriff of Hinds County, alderman of the city of Jackson, and secretary of the Mississippi State Fair Association.

Int. 3. If Mr. Lewis holds any office, state what that is.—Ans. Treasurer of Hinds County.

Int. 4. If Mr. Holland holds any office, state what that is.—Ans. I don't know whether he holds any office.

Int. 5. Where is Holland now?—Ans. In Salt Lake City, Utah.

Int. 6. Does he not hold some position under the Government there?—Ans. Not that I know of.

Int. 7. In your progress with the cannon, "Little Moses," that night, did you go up into the North ward and fire the same before the doors of any Democrats?—Ans. We did not.

Int. 8. Why didn't you do so?—Ans. We knew the cannon wouldn't have any effect on white men.

Int. 9. Did you go up there and do any cursing, swearing, and hallooing before the doors of any white Democrats?—Ans. We did not.

Int. 10. Why didn't you?—Ans. We didn't think it was necessary.

Int. 11. Did you then think it was necessary to go into the colored parts of the city and fire the cannon, and curse and swear, and halloo before the doors of the people there?—Ans. I did; to keep them away from the polls.

Int. 12. You have stated in your cross-examination that you are a policeman of the city of Jackson, and that while off duty the night before the election, you saw certain

disorderly proceedings and did not interfere; was not the principal reason of your non-interference at that time because of a general understanding among Democratic city and county officials in this city and county, that at and just before election times Democrats are privileged to commit almost any acts they please, no matter how outrageous or disorderly, which may tend to intimidate Republican votes from the polls. Was this not the real reason why you did not interfere?—Ans. Yes; it was.

Int. 13. Is it not a fact that the grand juries in this county never indict anybody for outrages committed at and just before election times?—Ans. I never heard of them doing it.

Int. 14. Do they ever indict any one for frauds on the ballot-box of this county?—Ans. I never heard of any.

The witness here expressed a desire to make a correction in his answer to interrogatory 12, last above given, and proceeding said: "I do not believe that every sort of outrage would be tolerated, but I believe that so far as intimidating niggers is concerned, that would be winked at by the officers of the law."

To what extent the frauds above recounted affected the result, it is impossible to ascertain from the evidence. It is evident, however, from the testimony of Cain, that there could be no such thing as a fair election in the city of Jackson. It is also evident from the testimony of Truly and Jones that contestant lost several hundred votes at Fayette because the conditions there were such that his tickets could not be distributed. The declarations of "Coote" White show a willingness at Brandon to resort to any methods to defeat the will of the people.

CLAIBORNE COUNTY.

In Claiborne County no Republican tickets were distributed and no Republican votes were cast anywhere in the county, except at Port Gibson, where 13 votes are returned for contestant, and exactly 13 colored voters are marked "voted" on the poll book. In the whole county there were but 722 registered white voters. Contestee was returned 602 votes, of which only 48 are claimed to have been cast by colored men. The concurrent testimony of a large number of witnesses is that there was very great indifference among both white and colored in this county in regard to the election and that many of both races remained away from the polls. Notwithstanding this indifference, if the returns are true, contestee got nearly 80 per cent. of the registered white vote, a suspicious showing when taken in connection with the evidence. But it is a significant fact that if these returns are correct only 48 colored men could be persuaded to vote for contestee in a county where no Republican tickets were to be had.

In district No. 2, 15 colored voters are marked "voted." It is in evidence that just 15 colored men, all Republicans, appeared at the polls, but none of them voted because there were no Republican tickets. The now famous process of counting persons "present and not voting" seems to have been anticipated and somewhat advanced upon in this precinct.

COPIAH COUNTY.

In Copiah County there were counted for contestee 2,269 votes, and for contestant 458 votes. In the following-named precincts the returns have been proved to be fraudulent by calling the individual voters, viz.: *Heath's store, Crystal Springs west, Crystal Springs east, Hopewell, Brower's store, Mount Hope, Green's store, and Rockport.* For example, at *Heath's store* 52 witnesses testify that they voted for contestant; only 11 were returned for him.

Other evidence shows that many others in addition to these 52 voted for contestant. At Rockport 9 witnesses testify that they voted for

contestant; none were returned for him. Those who testified were only a portion of those who cast Republican votes at this precinct. In nearly every precinct of this county the election boards were composed entirely of Democrats.

There are 22 precincts in Covich County; the returns in 8 are conclusively proved to have been fraudulent; suspicion attaches to the others, but, in the absence of evidence sufficient to overturn the prima facie correctness of the returns, we do not disturb the count in them. Eliminating the fraudulent returns and restating the vote of Covich County, so far as the evidence enables us to do so, we find the majority for contestee in this county reduced from 1,811 to 808.

HINDS COUNTY.

The official returns from Hinds County give contestee 2,215 votes, and contestant 945 votes. In this county the colored vote outnumbers the white vote nearly three to one. The testimony of Cain, already quoted, shows the means used to prevent a fair election in the city of Jackson, the capital of the State. Frauds are proved to have been committed in other precincts in this county, as follows: At *Liberty Grove*, 19 more votes were in the box than there were names on the poll list. The whole vote was counted, and both United States supervisors joined in a report that the return was fraudulent. This was a large Republican precinct, and the fact that the returns showed a Democratic vote in excess of the Democratic voters of the precinct, shows that these extra votes counted were Democratic.

At *Bolton* precinct a comparison of the poll book with the registration book shows that 74 names in the poll book had been changed, thus resulting in the disfranchisement of 74 duly registered voters.

In *Utica* precinct 368 votes were returned for contestee and none for contestant. Reuben Adams was appointed United States supervisor. His commission was forwarded to him by mail and arrived at his post-office on the 31st day of October, as shown by the postmark on the envelope produced in evidence. He called at the post-office twice during the week preceding the election and received letters, but his commission was not delivered to him until the 17th of November. The check marks on the poll book show that only 266 persons voted, though contestee is generously returned as having received 368 votes.

At *Auburn* box 223 votes are returned for contestee and none for contestant. Fifty-three persons only are marked on the poll list as "voted" at this precinct. Similar fraud is shown at the *Cayuga* box.

At the *Raymond* box contestee was credited with 198 votes and contestant with 70, yet one of the inspectors of the election testifies that the number of whites who voted was only slightly greater than the number of colored. The Republican vote greatly exceeds the Democratic in this precinct, but either through a feeling that it was unsafe, owing to past practices, or for some other reason not disclosed, a comparatively small number of the 600 colored voters in this precinct cast their ballots.

At *Dry Grove* no election was held. There were present at the polling place about 400 Republicans and 50 Democrats. A Republican United States supervisor was present. Charles W. Carraway, whose testimony has already been referred to, gives the reason for not holding an election; he says: "I did not ask the reason why, but it is well known the Democratic party desired no election held there, as the box, on a fair count, is overwhelmingly Republican."

Jackson, north ward.—In the north ward of the city of Jackson the man appointed as Republican inspector voted the Democratic ticket. The ballot box was removed from the polling place before counting, and then counted in secret.

Jackson, south ward.—In the south ward Republican tickets prepared by the Democrats, not in conformity to the requirements of the law, were distributed.

MADISON COUNTY.

Canton, west ward.—In the west ward, precinct of Canton, 531 votes were returned for contestee and 17 for contestant. This return has been proved to be fraudulent by calling the individual voters, and should be rejected. In addition to the individual voters who testified, and conclusively proved the falsity of the return, from 300 to 400 Republican voters entered the polling place to vote. The method of voting in this ward and the arrangements for receiving ballots tend to the conviction that fraud was deliberately planned. The poll list of the ward was refused to contestant.

Canton, east ward.—At the east ward in Canton, 368 votes were returned for contestee and 10 for contestant. The election was held upstairs, and Republicans were prevented from going up to vote unless they would take Democratic tickets. On the night previous to the election a crowd of roughs broke into the house of a Republican voter and terrorized him, so that he kept away from the polls. A number of railroad men, not residents of the district and not registered, voted the Democratic ticket, the inspectors deciding that they had the right to vote for President and member of Congress anywhere in the State.

In *Camden precinct*, where the evidence indicates that twice as many Republicans as Democrats voted, the ballot box was carried away from the polls at dinner time, and when the count was made it showed 68 Democratic majority.

At *Sulphur Springs precinct* the ballot box was carried off, and kept away about 2 hours against the protest of the United States supervisor. The evidence tends to show that more Republicans than Democrats voted at this precinct, yet the returns give contestee 124 and contestant 32. In this county the action of the majority of the election commissioners in the selection of precinct inspectors was a violation of the letter and spirit of the law, and, to say the least, showed a willingness to prepare the way for fraudulent returns.

RANKIN COUNTY.

At *Steen's Creek precinct*, Rankin County, 230 votes were returned for contestee and 63 for contestant. The testimony of T. J. Cooper, United States supervisor, shows that the ballot box was taken from the polling place against his protest, both at noon and in the evening after the close of the election and before the commencement of the count. When the counting commenced, one of the inspectors took a lot of Republican tickets from the box and put them into his pocket.

Threats were freely made against the supervisor, and he was induced to leave the polling place and go home before the count was completed. Sometime during the night a gang of men went to his house and induced him by threats to sign a return corresponding to the return made by the inspectors. One of them said to him, "We'll outswear you if you should live to make your report, but you can't live to make it."

This supervisor followed the box when it was taken from the polling place, and seemed determined to discharge his whole duty, but while it was being carried from the polling place and back again, after supper, it was dark, and the box was kept out of his sight. If this witness is to be believed, of course there is no validity to the return from this precinct. It further appears that a large number voted at this precinct who were not registered.

At *Brandon* precinct the United States supervisor was ejected from the polls. He appealed to the governor of the State, who was present, and the governor advised him, against the plain letter of the statute, that he could only stay outside to aid in keeping the peace. In this precinct Mr. Pickett, one of the Democratic inspectors, carried off the ballot box both at dinner and supper time. The count was not completed that night, and this same Mr. Pickett took the box away and said he would sleep with it. The polling place was upstairs, and the colored people were let in at the front door very slowly, while the white voters were let in at the back door and had no difficulty in voting. Pickett is shown to have had both the disposition and the opportunity to subvert a fair election. Inspector McBeth testified that the colored vote seemed to be more solid that day than usual. The returns for the precinct gave contestee 244 and contestant 101.

Pisgah.—The conduct of Democrats at Pisgah precinct is best shown by quoting the testimony of some of the witnesses.

Henry Turnage (pp. 261-262) testified:

When I got there Mr. Miller and Mr. Ed. Davis come and met us and asked us if we come to vote. I told him yes, and he asked me did I have a ticket, and I told him yes, sir. He asked me to let him see it, and I give it to him, and he told me that wasn't the ticket to vote, and I asked him why, and he went on to tell me, and he said he would give me a ticket to vote, and I told him I didn't want his, and he said he didn't want mine. He asked me would I vote the ticket he give me. I told him "no, sir." He said, "If you don't vote this one you won't vote any." I told him all right; there was a heap of men there that wasn't voting, and I reckon I could do without too. He said, "All right; if you vote this ticket you can vote, and if you don't, God damn you, can't vote narry one." I said "all right," and walked off from him. I went on 'round to the wagon where there was some fellows talking, and left him. I don't know where he went or what he done after that. My father come to me and told me to less go home. I told him, "No, sir; I am going to stay here a while longer; I think I will vote directly." Mr. Davis walked up and said: "No, you won't there to-day unless you take this ticket and some white man side of you, and walk up with you and put it in for you." I said: "No, sir; I won't do that;" and he said, "You had just as well go home, then; before you or any other God damn nigger shall go up there and vote, unless he vote this ticket he will walk in blood knee-deep." I told him all right and walked off and got on my horse and went home.

A. G. McKoy testified (p. 263):

I issued until I saw things were getting brash; then I thought, from the appearance I saw, and actions, it would be better for me to stop; I heard several remark that *those tickets were going to cause hell here*.

Wiley Boyd (pp. 269-270) testified:

I went up to the polls to vote and they said I couldn't vote there; said no nigger couldn't vote except they would bring a white man with him; said we had to vote their way; that this was their country and they were going to rule it. Nat Polk and Will Buckner; Nat Polk had a stick and Will Buckner had a brickbat. They stood up to the dead-line and said no nigger couldn't cross the dead-line unless he carried a white man in with him. And George Denson he took me off behind the church and asked me what ticket I was going vote, and I told him I was going to vote the Republican ticket; and he asks me to let him scratch it, and I told him no, I didn't vote a scratched ticket. He said then, "By God, we have been begging you all to vote with us, and if you don't vote with us to-day we are going to make you vote with us." And about that time Joe Boyd was standing off in the road talking to Van Thornton, and he hollowed then, "This is our country, by God, and we are going to rule it." Then the crowds all broke to him, and about 20 or 30 was standing waiting to vote, and

they got in behind them and told them *to get out and leave there*, and *got in before them* and *they were in behind them*, and Geo. Denson *shot off his pistol* and made them leave, and Will Buckner pulled off his coat, and several more others, and said *not another nigger should vote there that day*. And saw Will Buckner take a double-barrel shotgun out of the hind part of a buggy and turn it around, and cover it up, and I heard Mr. Andrews and Nat Polk say *before any other nigger voted there they would wade in blood knee-deep*.

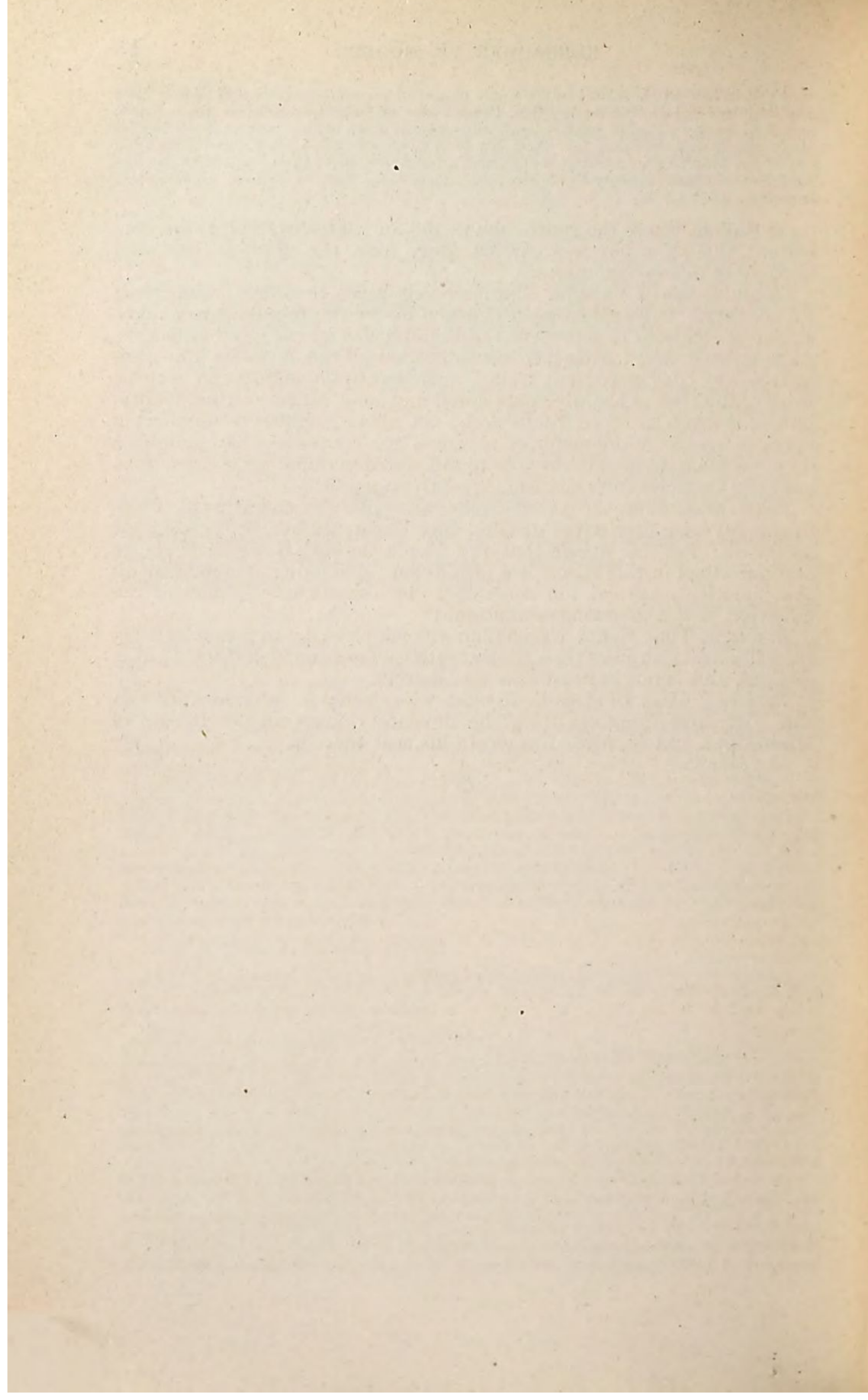
At Shiloh, where the return shows 106 for contestee, and 20 for contestant, the ballot-box was carried away from the polling place, and kept away nearly two hours.

Irregularities of a similar character took place in other precincts of this county. Precinct inspectors asked for by the Republican commissioner of elections to represent the Republicans on the election boards, were refused, and taking into consideration all the evidence, the committee are convinced that frauds sufficient to invalidate the returns were committed in the precincts noted and some others in this county, but, inas much as these frauds do not affect a sufficient number of votes to overcome the majority returned for contestee, the committee do not attempt to restate the vote in full, and determine what reductions ought to be made from contestee's returned majority.

Taken altogether, the record discloses a deplorable condition of affairs in the Seventh Mississippi district, such as can neither be excused nor palliated. For the reason that the frauds developed in the evidence and described in this report are insufficient in amount to overcome all the majority returned for contestee, the committee recommend the adoption of the following resolutions:

Resolved, That Henry Kernaghan was not elected a Representative in the Fifty-first Congress from the Seventh Congressional district of Mississippi, and is not entitled to a seat therein.

Resolved, That Charles E. Hooker was elected a Representative in the Fifty-first Congress from the Seventh Congressional district of Mississippi, and is entitled to retain his seat therein.



NEW ENUMERATION OF THE CITY OF NEW YORK.

FEBRUARY 25, 1891.—Laid on the table and ordered to be printed.

Mr. SHERMAN, from the Select Committee on the Eleventh Census, submitted the following

ADVERSE REPORT :

[To accompany H. Res. 239.]

The Select Committee on the Eleventh Census, to whom was referred the joint resolution (H. Res. 239) directing the Secretary of the Interior to make a new enumeration of the city of New York, do hereby report thereon as follows:

On December 5, 6, and 8 arguments in support of said resolution were submitted by Mr. John M. Bowers, of New York, who appeared on behalf of the mayor of said city, and Hon. R. P. Porter, Superintendent of the Census, in answer thereto. The hearing was as full as desired and has been printed for the use of the House.

The questions presented to us in the light of said hearing are:

(1) What provision is made by the act providing for the taking of the Eleventh Census in respect to mistakes or omissions in the taking thereof?

The provision covering this point is found in the last paragraph of section 5, and is as follows:

Whenever it shall appear that any portion of the enumeration and census provided for in this act has been negligently or improperly taken, and is by reason thereof incomplete, the Superintendent of the Census, with the approval of the Secretary of the Interior, may cause such incomplete and unsatisfactory enumeration and census to be amended or made anew under such methods as may, in his discretion, be practicable.

(2) Does the law give to the Superintendent of the Census power sufficient to act in a case of error or omission such as New York City complains of?

The simple reading of the statute leaves no room for doubt that it does. The Superintendent has so construed it and acted thereon. The Secretary of the Interior has so held (p. 204 of hearing), and Mr. Bowers so admits in his argument (p. 12).

(3) Did New York bring herself within the law so that the Superintendent of the Census should have taken action?

To answer this proposition requires a consideration of what was done by the authorities of the city in reference thereto.

Under section 19 of the census act the taking of the Eleventh Census began on the first Monday in June, and the act further provided that in cities of 10,000 inhabitants and over it should be taken in two weeks.

The work was begun and completed in New York City without complaint being made by or on behalf of the municipal authorities (p. 44).

On July 18 the result of the enumeration in New York City was announced as 1,513,501. It does not appear that the authorities then complained of the count. And the first complaint received by the Superintendent of the Census from the authorities of the city was the receipt on September 5 of the following resolution adopted by the board of aldermen of the city of New York, September 2:

Whereas there is reason to believe that the enumeration of the inhabitants of the city of New York, made in taking the Eleventh Census, is so defective that a very large number of the residents of this city have been omitted from said enumeration, and, in consequence of such omission, grave injustice is done to the city in many respects, and especially in substantial injury and wrong likely to occur through the deprivation of just Congressional representation by an apportionment based on such defective census; and

Whereas the statistics of the health department, those of the department of taxes and assessments, the registration of voters and the returns of votes cast at the elections, all indicate that the said enumeration of the Eleventh Census is deficient to the extent of not less than 200,000 persons, and such official demonstrations are confirmed by the statistics of city travel and by the daily observation of all New Yorkers; and

Whereas in other cities, including the city of Albany in this State, application has been made for a recount on the ground of inaccuracy in the census, and such application has been granted by the Department of the Interior of the United States Government having charge of the census: Therefore be it

Resolved, That application is hereby made to the President of the United States, the Secretary of the Interior, and the Superintendent of the United States Census, to order a recount of the population of the city of New York in order that the inaccuracies of the enumeration which has been had may be corrected.

The reason for non-action for so many weeks after the announcement of the result on July 18, is explained by Mr. Bowers (p. 104) on the theory that the people of New York City are largely out of town in July and August. It does not appear that the municipal authorities were, though they may have been. On page 7 Mr. Bowers also explains this inaction in these words:

It was not until the health department looked into the matter and ascertained that if those figures were correct the death rate of New York City had increased so enormously as to indicate the prevalence of a pestilence, that the accuracy of the census became a matter of doubt.

And on page 8 he adds that it was not until action by the health board that it came to the attention of the mayor for the first time; and he adds, "that was in September."

Nothing in the hearing substantiates the statement as to the enormous death rate of the city of New York. This resolution of the board of aldermen was not accompanied by any proofs substantiating the assertion that errors had occurred in the enumeration, such as was furnished by St. Louis (p. 108), Minneapolis, St. Paul, Nashville, and one or two other cities.

The following statement from the Superintendent of the Census was published in all the New York papers September 14:

If the board of health, the city council, or any other reputable authority will point out omissions or careless work in any specific district or ward the Census Office will gladly investigate and recount if necessary.

It does not appear that advantage was taken of this offer of the Superintendent of the Census, or any further communication had with the Superintendent of the Census until October 16. On September 29 an enumeration of the city of New York, taken by police under municipal authority, was begun and completed October 14. The total of that enumeration was 1,710,715, as appears by affidavits (p. 9).

Following the announcement on October 17, the Superintendent of the Census received from the mayor of New York the following letter:

MAYOR'S OFFICE, *New York, October 16, 1890.*

The Superintendent of the Census:

SIR: It appears from an enumeration taken by the police force, under the supervision of myself and a representative selected by you, that there are many inhabitants of the city of New York who were not returned by the Federal census. In number there are more than enough to secure to this city an additional member of Congress and to this State an additional electoral vote.

It is the right of the people to be counted accurately, and to have representation in Congress and in the electoral college proportionate to their population. In their name I demand, as their right, that the Federal authorities make an accurate enumeration of all the inhabitants of the city of New York.

HUGH J. GRANT,
Mayor.

And replied thereto the same day, as follows:

DEPARTMENT OF THE INTERIOR, CENSUS OFFICE,
Washington, October 17, 1890.

DEAR SIR: Yours of the 16th instant has been received, demanding that the Federal authorities make an accurate enumeration of all the inhabitants of the city of New York.

You state that it appears from the enumeration, taken by the police force under the supervision of yourself and a representative selected by me, that there are many inhabitants of the city of New York who were not returned by the Federal census. There has been no representative selected by me to supervise the enumeration taken by your force. It is proper that any misapprehension on your part, and the effect of your statement, should be corrected without delay, lest it might be deemed therefrom that this Bureau was in anywise responsible for or bound by the enumeration you mention.

The right of the people of New York to be counted accurately and have representation in Congress and in the electoral college proportionate to their population has not been disputed, and needs no assertion to have it acknowledged.

Your demand for an accurate enumeration of the inhabitants of the city of New York is without the support of any facts officially known to this office, and will be considered only when a case is presented in due form, and that will then be decided upon its merits.

You will please understand that this Bureau has entire confidence in the enumeration it has made of the inhabitants of the city of New York, and will adhere to the same until convinced by proper proofs duly presented that the same is erroneous and to a degree that demands a reenumeration under the statute in such case made and provided.

You will please further take notice that the work of the census by the national authorities has proceeded so far that the results of the enumeration of the population will be probably announced within a few days, and that no great delay will be allowed you in presenting your case and the evidence you may have to support it.

Yours, respectfully,

A. F. CHILDS,
Acting Superintendent of the Census.

HUGH J. GRANT,
Mayor of New York City.

Nothing before us shows that the result of the police census was made known to the Census Office, except the total. It does appear that the enumeration by the Federal authorities and that by the New York police were not taken by the same districts. The Federal enumeration was announced by wards in the New York papers September 14 (p. 197).

The receipt of this letter of the Superintendent of the Census, of October 17, by the mayor, seems to close the case so far as the Superintendent of the Census is concerned.

It appears to the committee that the municipal authorities did not thereby make a case upon which the Superintendent of the Census

could act. No claim of errors of a sufficiently specific nature to admit of investigation were made and on the case presented the Superintendent would not be justified in undertaking a reënumeration of the entire city. Nor was any offer made to lay before him the police schedules for comparison, as had been done in other cases where errors were charged.

Hereupon (p. 204) the mayor applied to the honorable Secretary of the Interior. The case can not be called an appeal. There was no adverse decision from which to appeal. This application or demand, as in fact it was, was not accompanied by any facts or anything save the correspondence between the mayor and Superintendent of October 16 and 17.

The honorable Secretary, in an opinion of considerable length, declined to allow the application. It is not necessary to set out this opinion in full. The honorable Secretary says :

The position, therefore, that the United States census is correct must be met by something more than an assertion that the municipal census is right, and that because it shows more inhabitants in New York City in the fall of the year than that taken in the early summer does, the former is so evidently wrong as to require a recount.

This conclusion is not apparent.

It is apparent that one whose duty it is to hold an even balance in which are to be justly weighed the interests of the whole country can not proceed under such circumstances upon mere presumption, and it is the merest presumption that the present demand is based upon while the best evidence is withheld.

It thus appears that the mayor bases his application on the fact that, as he alleges, the municipal census shows many more inhabitants to have been in New York City in October than the United States census shows to have been there in June, and because the municipal census was supervised by a representative of the United States Census Bureau this Department is bound by the result made known to it, and it should, without further inquiry, order the Superintendent to make a reënumeration ; that the Superintendent has denied the alleged supervision and any official knowledge of results that would warrant a reënumeration, and has offered a hearing to the mayor, which he has not accepted, but has brought his demand to the Secretary on the same ground as originally made ; that the Secretary finds the municipal census was not taken under any supervision by the Census Bureau or anyone representing it, and that no such information has been sent the Bureau or the Department as enables it to determine that the United States census was faulty and should be retaken.

From the conclusion reached by the honorable Secretary your committee do not differ.

Thereafter, under date of October 30, the honorable mayor of the city of New York renewed his application to the honorable Secretary. In that application he says :

SIR : It was not my intention, in calling your attention to the enumeration made by the police force of New York, to rest the case of the city with the proofs already in the possession of the Census Bureau. I had hoped that those proofs would be sufficient to convince you that the Federal census does not do justice to the city of New York in that it fails to contain the names of all the inhabitants. Favorable action by you on the proofs which you had would have facilitated the work of this office.

It appears from your letter that this information and proof were not enough. There are accordingly forwarded herewith—

First. The original enumeration books of the first five wards of the city, sworn to by the police enumerators.

Second. Extracts from a report made by the board of health, showing that either the death rate has greatly increased or that the Federal census is inaccurate.

Third. Official computations based on the annual registry in Presidential years. These computations show that either the number of voters in proportion to the population of this city and the interest they take in Presidential elections has greatly increased or that the Federal census is inaccurate.

Fourth. A computation of the names in the directory for a series of years, showing ~~that~~ either the proportion of names in the directory to the total population has increased or that the Federal census is inaccurate.

Detailed statements in regard to these various lines of proof are forwarded to you herewith. They have been prepared with as much care as time permits. The heads of the various departments responsible for their preparation vouch for their accuracy. If you wish any formal certificate to that effect sworn to by the heads of the departments responsible it will be forwarded to you.

In conclusion let me make most plain to you that the people of this city believe that the Federal census is not accurate and that in presenting this proof I do it as their representative and in their name.

This application was disallowed by the honorable Secretary. The reasons for said action were stated by the honorable Secretary in part as follows :

The statement made in the present application that it was not the intention of the mayor in calling attention to the enumeration made by the police force of New York to *rest the case* of the city with the proofs already in the possession of the Census Bureau is inconsistent with his action in appealing from the Superintendent to the Secretary. The Superintendent, in his reply to the mayor's application, had stated the demand was without *the support of any facts* officially known to the Census Office, and that a case presented in due form would be decided on its merits. If it was not the intention of the applicant to rest his case on proofs already in the possession of the Census Bureau, why did he refuse to present additional proofs and to make a case if he could? Why did he turn away from the Census Office and make a demand upon the Secretary, without, even then, making a single additional assertion of fact, but still insisting that a representative of the Census Office had supervised the police count and had made daily returns to that office, and thereon, and thereon only, demand an order by the Secretary upon the Superintendent to proceed? Why did he remain in this attitude until the opinion by the Secretary was delivered, if he did not rest his case upon that which he maintained was in the Census Bureau, and which he insisted was sufficient? Certainly these acts indicated most strongly both an intention and a fixed determination to force upon the Department the count of the police by the assertion that it was taken under United States supervision and that the result was, therefore, absolutely binding.

Again, it is quite obvious that it would have been most unjust, if not absolutely illegal, for the Secretary to have considered any other state of facts than those that the Superintendent had already had an opportunity to consider, and on which he had based his action. The mayor must have known this, as he did not call the attention of the Secretary to anything more than he had "*rested his case*" on, at least before the Superintendent.

The office of Superintendent is one of not only great responsibility, but also of great dignity. He is appointed by the President, by and with the advice and consent of the Senate. His intelligence, judgment, integrity, and personal qualifications entitle him not only to fair but most liberal treatment at the hands of the Secretary. To undertake to overrule him on facts he has not had an opportunity to consider would be harsh as well as unauthorized. The Secretary was, therefore, by all considerations applicable to it, bound to act upon the case before him and not upon some other facts not presented or offered. He did so decide it, and gave his reasons at length.

The present application might, however, have been entertained sufficiently by the Secretary to learn what the case was rested on now. If he did not feel justified in acting upon it himself, he might have deemed it such as he might refer back to the Superintendent for consideration by him. To have secured such action by the Secretary would have required a full presentation of all the proof in the possession of the applicant, and the same frank treatment of the Secretary that he, the applicant, was soliciting for himself. But such has not been the offer made or action taken by the mayor. The applicant selected, to suit himself, five out of nine hundred and forty-seven enumeration districts, and proposed the case should be disposed of on an investigation of the books relating to these. But he, at the same time, says *these enumeration books do not include all the population that was returned to him by the police enumerators*.

To have had possession of *these acknowledgedly imperfect records*, to have compared them with the schedules of the United States enumerators in his own department, under the law that authorizes copies only to be furnished municipalities for inspection, to have given him entire freedom of action in the premises without the supervision or presence of any agent of the applicant, was the least that could have been offered the Secretary. His position and his obligations were all the sureties necessary to entitle him to this confidence. But on application by the Secretary to have the

books, incomplete as they were, delivered at the Department upon an official receipt, he was informed by the custodian of them that the instructions of the mayor were to the contrary, and that he, the custodian, must be constantly present with the Secretary when he was examining the books or comparing them with the United States census returns, and that the sole custody of them by the Secretary could not be allowed. Thereupon the custodian was informed that the Secretary would proceed with the business without them.

The refusal of the books leaves this case substantially where it was when the last opinion was delivered. The offer of the returns of merely five wards out of nine hundred and forty-seven districts that are in the city of New York—and these returns acknowledged to be imperfect—could have been entertained only upon a most liberal treatment of the application; these books having been withheld, there is no evidence whatever before the Secretary of the authenticity and reliability of the police count, or of any insufficiency in the United States census taken in June.

The several other papers, computations, and comparisons surrendered to the Secretary, being those as to death rates, number of voters, and comparison of directory contents, are matters that can not prevail in the face of an actual count of the people that was duly taken according to law; they do not change the presumption in favor of the census of the United States because of any calculations or results in such papers set forth. This position is acknowledged by the applicant. In the letter of November 4, by the custodian, it is said—

“Until you (the Secretary) have examined and compared the books there is *nothing for you to do but to consider matters* which, although now presented in a new shape, were within your knowledge *when you made your recent decision.*”

The consent virtually thus given has been confirmed by the mayor in a telegram to the agent, and transmitted by him to the Secretary of the date of November 5, saying:

“The mayor repeats his original instructions. *You are doing right.* Give fullest facilities to Secretary Noble, but in your presence. If Secretary Noble will not examine the books in accordance with your original instructions, *come back with them to-day.*”

The Secretary is, therefore, driven by the mayor's course of conduct in refusing his request, and thus keeping the case utterly bare of any facts authorizing a reënumeration to again disallow the application made, and it is hereby so ordered.

The position taken by the honorable mayor in declining to submit the books of police enumeration in these five wards is most extraordinary, and fully justified the action of the honorable Secretary in declining to further consider the application. The action is similar to that of a litigant in court submitting a case without presenting any evidence, and when the court decides adversely to his claim to again come into court, saying, “I had other proof which I would have presented had I known you would not decide in my favor. I ask to set the verdict aside and now present certain proof, but for reasons I do not now announce will not leave this proof with the court, but will permit the court to examine it in my presence only.” But one result could follow.

This closed the communication between the honorable mayor of New York, the honorable Secretary, and the Superintendent of the Census in reference to the reënumeration of New York, except the application made on behalf of the city for certain lists of names and the letter of November 14, of the Superintendent of the Census to the honorable mayor asking for a certified copy of the number of persons enumerated by the police by election districts. It appears this letter, though delivered personally to the accredited representative of the mayor, Mr. Kenny, was never answered (p. 83).

The full history of the case leads us to the conclusion that New York did not show herself entitled under the law to the relief asked for.

Mr. Bowers in his argument admitted this proposition.

And this brings us to this proposition: Has New York presented to us a case calling for the enactment of the joint resolution?

We think that before calling upon Congress for special legislation she should have exhausted her remedies under the law. This she

clearly failed to do. But that question waived, has she presented a state of facts that would equitably entitle her to a reënumeration, a case that even *prima facie* shows an incomplete enumeration of her people? To apply the test of death rate, number of voters in proportion to population, and the like, is shown by the bearing to be of little value. In some instances it produces results so different from the facts, acknowledged by all, as to be wholly unreliable.

The police census, then, what it was and its result, is the main question to be considered. This admittedly was an enumeration of the inhabitants of the city of New York at the time it was taken. Not even of a specific day, but of September, 29 to October 14 (pp. 8, 37, 58, and 59). That this causes duplication is shown by the hearing. On page 37, in answer to a question by Mr. Blount, "Did you attempt to eliminate all who came in after the 1st of June?" Mr. Bowers says, "No; we simply got the people."

It is apparent from the hearing not only that there might be but is a much larger population in New York October 1 than June 1 in any year (p. 10). The result of this October enumeration by the police is announced as 1,710,715. It appears that this result was reached by an addition of the names by pages (p. 57); that the names have never been counted individually; that in the early days of the enumeration this counting was done by officers of the sanitary force specially detailed therefor, but after the first week were counted but twice, and by whoever happened to be at leisure (p. 57). It appears that in this counting one error of 40,000 (p. 57) and one of 28,000 (p. 79) was discovered. These errors were of course corrected.

It was not claimed that the police enumeration represented the population of New York June 1. No proof is produced to show that the Federal census was in error outside of the Second ward, and it is shown (p. 94) that the population of this ward is migratory in character. It is shown by the affidavits of certain people who were not enumerated in June that they then resided in the Second ward. It is not shown by these affidavits that these persons were actually in the ward in June or that they were not enumerated elsewhere.

Some of these affidavits are made by a single individual to cover 20 or 30 persons (p. 91), and some of these are shown to be in error. The contention of the representative of New York was, that having shown in a single ward, and that one of the smallest of the city, that the enumeration was not complete, therefore it should be assumed the entire city had not been fully enumerated. We can not accept this reasoning in view of the fact that in another ward, near the Second ward, the police returned less than the Federal enumerators (p. 16), and that the same condition exists in a great many districts. If we are to assume from a single district or ward that the enumeration of the entire city is not complete, why not from another, where the opposite conditions exists, that the enumeration was padded?

A case such as is presented to your committee in reference to the Second ward, presented to the Superintendent of the Census in reference to that ward, or any other, would undoubtedly receive full investigation. Such a conclusion is reached from the fact that not a complaint made to the Superintendent under the law failed to receive prompt attention and full investigation. The facts presented to us in reference to the Second ward do not justify the reënumeration of the entire city of New York. The law needs no amendment to cover any case of error or omission. The cases cited by Mr. Bowers do not warrant the

passage of the joint resolution. Mr. Bowers admits that no such reasons as those urged in the precedents cited by him exist in this case, and the committee are satisfied that the power of reënumeration by the Superintendent of the Census granted in the act of 1889 was greater than any vested in prior acts.

Your committee therefore report said joint resolution (No. 239) back with a recommendation that it do lie upon the table.

In conclusion it is proper to say that we have reviewed the case solely as presented to us in the hearing of December last.

VIEWS OF THE MINORITY.

Mr. WASHINGTON files the following report:

The minority of the committee having had under consideration House joint resolution No. 239, directing the Secretary of the Interior to make a new enumeration of the city of New York, dissent from the views of the majority as expressed in their report, and beg leave to file the following:

A census to be of value should be as accurate as it is possible to make it. At the same time the general public should feel satisfied that the enumeration was fairly and honorably made.

Neither of these obtain in the recent census of New York. We have no harsh criticism to make of the Superintendent of the Census. We do not question his integrity or his desire to make an honest, correct count.

Mr. Bowers, who represented the city of New York before the Census Committee, stated on page 26 of the hearings that no one claims the Federal enumeration of New York was improperly taken by design. That if there was an erroneous enumeration it may have arisen from a dozen causes. Again, on page 114, Mr. Bowers says, speaking of the Superintendent of the Census:

We believed he would do the work justly. We sat still until the 1,513,000 came out; then we were startled, but we hesitated to question it. Subsequently we did send him the request, to which he replied.

There is no specific charge made against any census official, yet it is claimed, and we think justly, that the enumeration was defective. The population of New York was announced on the 18th of July by the Superintendent of the Census to be 1,513,501.

This was a great surprise to the officials and people of that city, who had confidently expected an actual count to show a much larger number. The city authorities had not been watching the enumerators during the count—as if expecting them to be dishonest and intending to make false returns. Therefore, no one was prepared, on the informal announcement of the result on the 18th day of July, at once to question the count or to immediately demand an investigation. The matter, however, was under discussion in the press and among the people. It culminated on the 2d of September by the Board of Aldermen passing the following resolution, which was transmitted to Hon. John W. Noble, Secretary of the Interior:

OFFICE OF THE BOARD OF ALDERMEN,
New York, September 4, 1890.

Hon. JOHN W. NOBLE,
Secretary of the Interior:

SIR: At a meeting of the common council of the city of New York, held in the City Hall in said city, on Tuesday, September 2, 1890, a preamble and resolution, of which the accompanying is a copy, was presented by Alderman William Tait, and adopted.

Very respectfully,

FRANCIS J. TWOMEY, *Clerk.*

Whereas there is reason to believe that the enumeration of the inhabitants of the city of New York, made in taking the Eleventh Census, is so defective that a very large number of the residents of this city have been omitted from said enumeration, and, in consequence of such omission, grave injustice is done to the city in many respects, and especially in substantial injury and wrong likely to occur through the deprivation of just Congressional representation by an apportionment based on such defective census; and

Whereas these statistics of the health department, those of the department of taxes and assessments, the registration of voters and the returns of votes cast at the elections, all indicate that the said enumeration of the Eleventh Census is deficient to the extent of not less than two hundred thousand persons, and such official demonstrations are confirmed by the statistics of city travel and by the daily observation of all New Yorkers; and

Whereas in other cities, including the city of Albany, in this State, application has been made for a recount on the ground of inaccuracy in the census and such application has been granted by the Department of the Interior of the United States Government, having charge of the census: Therefore, be it

Resolved, That application is hereby made to the President of the United States, the Secretary of the Interior, and the Superintendent of the United States Census, to order a recount of the population of the city of New York in order that the inaccuracies of the enumeration which has been had may be corrected.

Adopted by the board of aldermen September 2, 1890.

F. J. TWOMEY, *Clerk*.

The Secretary of the Interior does not appear to have considered these allegations, grave and material as they are, to have furnished sufficient ground on which to order even an investigation of the New York count.

His reply was a comparative statement of the population by wards for 1880 and 1890, with sundry comments and comparisons furnished the New York newspapers September 13 by Superintendent Porter. Instead of a verification of his work by an actual recount, the Superintendent rushes into print to show why the count must be correct and should be sustained.

In this same publication the Superintendent says: "If the board of health, the city council, or any other reputable authority will point out omissions or careless work in any specific district or ward the Census Office will gladly investigate and recount if necessary."

Thereupon the mayor and board of aldermen ordered an enumeration by the police authorities. The Superintendent of the Census was notified. He sent Mr. W. H. Olcott to New York, if not to supervise the police enumeration, at least to be "a looker on," as the following report by Mr. Olcott himself clearly indicates:

SIR: On the 29th ultimo I received from you the following letter of authorization:

"SIR: In connection with your duties as a clerk of class 4 in this office, you are hereby directed to proceed to New York City, N. Y., for the purpose of consultation as to the method of the reënumeration of that city.

"Your actual and necessary expenses of subsistence (not to exceed \$5 per day), together with expenses of transportation, will be reimbursed you upon presentation of proper vouchers, to which a copy of this authorization must be attached.

"Very respectfully,

"A. F. CHILDS,
"Acting Superintendent of Census.

"MR. W. HARRY OLCOTT,
"Census Office."

In obedience to these instructions, I proceeded to New York and presented the following letter to the mayor:

"SIR: I beg leave to introduce to you, in the person of the bearer, Mr. W. H. Olcott, of this office. Mr. Olcott is visiting New York City for the purpose of personally conferring with you as to the municipal census that you have ordered to be taken and of informing himself as to the methods that will be pursued in the enumeration, in order that this office may be in a position to judge how far the results of such cen-

sus should be considered as verifying or otherwise those of the United States census. I beg therefore to bespeak for Mr. Olcott such official courtesies as you may see fit to accord to him.

"Yours, very respectfully,

"A. F. CHILDS,
"Acting Superintendent of Census

"Hon. HUGH J. GRANT,
"Mayor of New York City."

The mayor received me courteously, presented me to Mr. Speer, his private secretary, and instructed him to give me such information as I might desire in connection with the police count.

The enumeration was commenced September 29 and completed October 14.

Nine hundred and forty-seven policemen were detailed by Inspector Byrnes to take the count, one being assigned to each election district. A small book was prepared for the use of each policeman, having in it blanks for street, number, name, age, and sex. There were 20 lines to a page, and 144 pages in the book. Upon completing a district the officer in charge certified to the correctness of his work and sealed the book in the presence of the captain of his precinct, the captain certifying to the fact. The officer then carried the book to Inspector Byrnes, who asked him "the boundaries of his district, about how many names he had entered in the book, and if he was sure he had omitted no one." If these questions were answered satisfactorily the book was accepted, and the officer discharged from further connection with the work. When a number of these books had accumulated the inspector sent them, by messenger, to the mayor's office, where the seals were broken, and after being examined to see if any lines were missing, were counted by pages three times by policemen of the sanitary force detailed for that purpose.

* * * * *

W. H. OLCOTT.

This police enumeration was a full and sufficient compliance with the request of the Superintendent to point out omissions or careless work. On its completion the mayor wrote the following letter to the Superintendent of the Census:

MAYOR'S OFFICE, *New York, October 16, 1890.*

SIR: It appears from an enumeration taken by the police force, under the supervision of myself and a representative selected by you, that there are many inhabitants of the city of New York who were not returned by the Federal census. In number there are more than enough to secure to this city an additional member of Congress and to this State an additional electoral vote.

It is the right of the people to be counted accurately, and to have representation in Congress and in the electoral college proportionate to their population. In their name I demand, as their right, that the Federal authorities make an accurate enumeration of all the inhabitants of the city of New York.

HUGH J. GRANT,
Mayor.

Mr. A. F. Childs, Acting Superintendent of Census, replied as follows:

DEPARTMENT OF THE INTERIOR,
CENSUS OFFICE,
Washington, October 17, 1890.

DEAR SIR: Yours of the 16th instant has been received, demanding that the Federal authorities make an accurate enumeration of all the inhabitants of the city of New York.

You state that it appears from the enumeration taken by the police force under the supervision of yourself and a representative selected by me, that there are many inhabitants of the city of New York who were not returned by the Federal census. There has been no representative selected by me to supervise the enumeration taken by your force. It is proper that any misapprehension on your part, and the effect of your statement, should be corrected without delay, lest it might be deemed therefrom that this bureau was in anywise responsible for or bound by the enumeration you mention.

The right of the people of New York to be counted accurately and have representation in Congress and in the electoral college proportionate to their population has not been disputed, and needs no assertion to have it acknowledged.

Your demand for an accurate enumeration of the inhabitants of the city of New York is without the support of any facts officially known to this office, and will be considered only when a case is presented in due form, and that will then be decided upon its merits.

You will please understand that this bureau has entire confidence in the enumeration it has made of the inhabitants of the city of New York, and will adhere to the same until convinced by proper proofs duly presented that the same is erroneous and to a degree that demands a reënumeration under the statute in such case made and provided.

You will please further take notice that the work of the census by the national authorities has proceeded so far that the results of the enumeration of the population will be probably announced within a few days, and that no great delay will be allowed you in presenting your case and the evidence you may have to support it.

Yours, respectfully,

A. F. CHILDS,
Acting Superintendent of Census.

HUGH J. GRANT,
Mayor of New York City.

When the proof demanded on the 13th of September by the Superintendent of the Census was tendered by the mayor, he refused it, and said: "Your demand is without the support of any facts officially known to this office." Notwithstanding Mr. Olcott, by his orders, had been present in the mayor's office during the entire time consumed in the police count and had made a daily report thereon.

The mayor then appealed to the Secretary of the Interior.

The Secretary in reply entered into a very lengthy argument to sustain the denial of a recount. Words and technicalities abound. The conclusion reached was that the Secretary "finds the municipal census was not taken under any supervision by the Census Bureau or any one representing it, and that no such information has been sent the Bureau or the Department as enables it to determine that the United States census was faulty and should be retaken."

Thus the mayor was refused by the Secretary what he had been denied by the Superintendent. Not to be rebuffed, he tried again.

MAYOR'S OFFICE, *New York, October 30, 1890.*

SIR: It was not my intention, in calling your attention to the enumeration made by the police force of New York, to rest the case of the city with the proofs already in the possession of the Census Bureau. I had hoped that those proofs would be sufficient to convince you that the Federal census does not do justice to the city of New York in that it fails to contain the names of all the inhabitants. Favorable action by you on the proofs which you had would have facilitated the work of this office.

Since, however, in your communication of October 27 you say that the information before you is not sufficient to warrant you in making a reënumeration of the inhabitants of this city, I have the honor to submit herewith further proof, which I trust will appear conclusive to you. This proof would be more full were it possible for me to prepare it in the limited time at my disposal. I would take pleasure in sending you all of our enumeration sheets, books, and tabulation tables were it not that I am most anxious to have the proofs reach you in time. The proofs which I send herewith I have examined with care, and, so far as it is possible for me so to do, I certify of my personal knowledge to their correctness.

It appeared in the communication of the Acting Superintendent of the Census that it was necessary for the city of New York to make the utmost haste in presenting its case. For that reason I at once called your attention to the information which I had reason to believe you possessed. It appears from your letter that this information and proof were not enough.

There are accordingly forwarded herewith—

First. The original enumeration books of the first five wards of the city, sworn to by the police enumerators. These enumeration books do not include all the population of these wards as returned to me by the police enumerators. Several additional schedules and lists of names which were omitted from the original books have since been forwarded to me, duly certified by the police enumerator and the captain of his

precinct. I have no reason to doubt that the names on them should be included in this enumeration, but time does not permit the adding of these names, and I do not wish to permit the possibility of any complication.

These wards are the smallest in the city. The population in them has steadily decreased through the change in the character of the neighborhood from residences to business. The inhabitants of these wards do not go out of town in the summer, but are there throughout the year. The population instead of growing is decreasing, so it is probably smaller now than in the spring, owing to fall removals up town and building operations.

It is for these reasons and the fact that the enumeration books for these wards can be most quickly sent to you that they have been selected. It will be a simple matter on your part to verify the police enumerations in any of the districts in any of these wards. I would suggest that you verify the count in the Second ward, the smallest in the city. This ward has been counted by both the health department and the police. Both of these counts show a great increase over the Federal census, the greatest percentage of discrepancy in any ward. A faithful recount of this ward could be made in a day by a few men. I am willing to abide by it and to let the recount of the whole city depend on the result of a recount of this Second ward. If an accurate recount shows that the inhabitants of the Second ward are in number over 1,300, it will prove that the Federal census is so faulty that a universal recount should be made. If, on the other hand, a recount shows that the number of inhabitants of the Second ward is less than a thousand, I am willing to concede the accuracy of the Federal census. This is a simple test, and one that can be made within a few days.

The people of New York and the city authorities believe in the accuracy of the enumeration made by the police, and they are willing to abide by the results of a fair and honest test.

The enumeration in each of the districts was made by members of the regular police force of this city, acting in accordance with the request of the board of health made through me and under instructions from the police commissioners and the acting superintendent. These instructions were most strict. They were to the effect that only actual residents should be taken and that none of the floating population should be counted. This excluded a large class of the residents of some of these wards, who, though they live in the ward from one year's end to the other, have no fixed place of residence. If these had been added the discrepancy between the Federal census and the police enumeration would be greatly increased. As this floating population is entitled to be counted somewhere, and as it spends the whole of the year in this city, this city is entitled to be credited with it; but to avoid any confusion the names have not been enumerated by the police.

Second. Extracts from a report made by the board of health, showing that either the death rate has greatly increased or that the Federal census is inaccurate.

Third. Official computations based on the annual registry in Presidential years. These computations show that either the number of voters in proportion to the population of this city and the interest they take in Presidential elections has greatly increased or that the Federal census is inaccurate.

Fourth. A computation of the names in the directory for a series of years, showing that either the proportion of names in the directory to the total population has increased or that the Federal census is inaccurate.

Detailed statements in regard to these various lines of proof are forwarded to you herewith. They have been prepared with as much care as time permits. The heads of the various departments responsible for their preparation vouch for their accuracy. If you wish any formal certificate to that effect sworn to by the heads of the departments responsible it will be forwarded to you.

In conclusion let me make most plain to you that the people of this city believe that the Federal census is not accurate and that in presenting this proof I do it as their representative and in their name.

HUGH J. GRANT,
Mayor.

The SECRETARY OF THE INTERIOR,
Washington, D. C.

In this letter the mayor shows his willingness to do anything in reason that may be required by the Secretary to get a recount. He sent the original enumeration books of the first five wards, which were the smallest and most easily counted. These wards ought to make the best showing for the Federal census because the population is steadily decreasing owing to the change from residence to business houses. Yet the mayor asks that the Second ward, one of the smallest of these,

be taken for comparison, because it was a small ward and could be easily counted in a day, and because it had been carefully enumerated by both the department of health and by the police. Mayor Grant says:

I am willing to abide by it and to let the recount of the whole city depend on the result of a recount in this ward. If a recount shows over 1,300 it will prove the Federal census faulty; if less than 1,000 I am willing to concede the accuracy of the Federal census. This is a simple test and one that can be made within a few days.

To this the Secretary of the Interior replied at great length on November 6. The tone of the letter is such as to convince the reader that no excuse to extenuation is allowed for New York, while every pretext is sought on which to disallow the application. A recount was again refused. There the case rested until brought to Congress in December.

We think it has no weight to say that New York did not present her case with such facts and proofs as St. Louis, or Kansas City, or St. Paul, or Nashville. Each city had its own peculiar complaint and was governed by different circumstances. We feel satisfied the police enumeration of New York showed a condition of things which fully warranted the Superintendent of the Census in ordering a recount.

There is no rule governing the kind or amount of proof which must be furnished by a municipality demanding a recount. That necessarily is left to the discretion of the Superintendent. No better proof could be wanted than the enumeration made by the New York police. The total shows a discrepancy of 207,214 persons. The one ward in which actual comparisons have been made shows a difference of about 400 in the enumeration. This showing alone ought to entitle the city to a recount. It is well known that thousands of people of all classes go out of New York every summer. The employment agencies questioned showed that they had sent out 40,000 servants by the 1st of June. This by no means covered all the waiters and other employés who seek service at the summer hotels. Nor does it take into consideration the thousands who own their summer homes elsewhere, or who move from place to place as transient guests at the seaside and other resorts. It is manifestly unfair to assume that all these people, amounting to more than 100,000, were caught on the wing by the enumerators and counted as of the place where they might have been temporarily sojourning on the 1st of June. New York should have credit for all of these. In confirmation of this we point to the statement of Superintendent Porter himself on page 55 of the hearings, where he said:

What the population of the city, taken under entirely different conditions, by the police, with half a dozen questions instead of thirty, as required by the act under which the Eleventh Census was taken, may have been 4 months later, under the conditions then existing, with thousands added to both extremes of population, by the returns of the floating population of the lower quarters of the city and by the return of thousands of persons from abroad, from the watering places, and from the country, I am unable to say. The difference may be considerable without impugning to the slightest degree the Federal census.

The Superintendent of the Census had ample and undisputed authority under the law to order either a recount or a comparison and verification. Having done neither we think Congress should order a new enumeration.

It is now a question of doing justice to New York. It is of no consequence that the census has been announced and the apportionment bill passed. To do justice to New York will not work inequality elsewhere. Numerous instances are on record where reenumeration has been ordered and where representation has been increased. In some cases years after the census was taken and the apportionment made.

In 1823, 3 years after the taking of the census of 1820, and more than a year after the passage of the act apportioning Representatives under that enumeration, Congress passed an act giving Alabama an additional member of Congress. There had been complaint that the census was not accurately taken, but the only proof on file was a letter from the governor of Alabama to the Judiciary Committee stating that the inhabitants of two counties had not been enumerated. How great the contrast between this and the case of New York to-day.

In 1832, 2 years after the census had been taken, the enumeration of the southern district of New York was allowed to be corrected, as the following correspondence will show :

DEPARTMENT OF STATE,
Washington, February 10, 1832.

SIR: I inclose, for the information of Congress, a communication received this day from the marshal of the United States for the southern district of New York on the subject of an omission made by the assistant to the marshal in making the returns of the enumeration of the Ninth ward in the city of New York.

By the correction of the return made at this Department, the number of aliens in that ward amounted to 5,476, and of deaf and dumb 1, making 5,477 persons. According to this correction, the report of this Department as already made to the House of Representatives should exhibit this additional number of persons in the southern district of New York.

That part of the marshal's return relating to the residents of a poorhouse at New Paltz, Ulster County, N. Y., has already been noted in the return of the census made to Congress.

I am, sir, yours, respectfully,

EDW. LIVINGSTON.

ANDREW STEVENSON, Esq.,
Speaker of the House of Representatives.

The southern district of New York, as appears from the returns in the Department of State heretofore made, contained 547,079 persons; add aliens, etc., 5,477, 552,556; the northern district contained 1,366,052, making the aggregate of the State 1,918,608.

Then follows a letter from William Coventry H. Waddell, marshal of the southern district of New York, which is as follows:

OFFICE OF THE MARSHAL OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF NEW YORK,
New York, February 7, 1832.

SIR: I hasten to lay before you a statement relating to the fifth census of this district, by which, I think, it will appear that the number of inhabitants ascertained to be resident therein at that enumeration exceeds the amount returned to the Department of State by 5,647 persons.

I am, sir, yours, respectfully,

WILLIAM COVENTRY H. WADDELL.

Hon. EDW. LIVINGSTON,
Secretary of State of the United States, Washington, D. C.

I, Garrit Gilbert, late assistant to the marshal of the United States for the Southern District of New York, for the Ninth ward in the city of New York, do hereby certify that the number of aliens in said ward, as returned by me to the said marshal, under the act to provide for the fifth census or enumeration of the United States, amounting to 5,521 persons, and one deaf and dumb person, was not included in the several columns of ages in the schedule returned by me to the said marshal.

Dated this 6th day of February, in the year 1832.

GARRIT GILBERT.

Sworn to before me this 6th day of February, 1832.

SYLVANUS RAPALJE,
United States Commissioner, etc.

In 1841 Congress by special act ordered a recount of the inhabitants of Montgomery County, Md.

The census was retaken and showed an omission of nearly 700 persons in a population of between 5,000 and 6,000.

In 1862, nearly 10 years after the apportionment, Congress gave an additional member of Congress to California on the claim made by California that the census of 1850 had been erroneous.

In the California case a report was made on the 14th of July, 1852, from the Committee on the Judiciary, by Mr. McClanahan. He says on the question of fact as to the trouble with the California enumeration:

The returns from California, so far as received at the Census Office up to the 5th of March, gave a population of 92,597; but from the counties of San Francisco, Contra Costa, Santa Clara, and Klamath no returns at all have been received; and from the counties of Butte, Tuolumne, partial returns only. The population of the first three counties was, however, furnished by the census agent in California to the authorities of that State, from which it appears that the number of their inhabitants was 25,224, which number, added to the actual returns, will make 117,821 as the total population of the State.

But it appears further from a letter from the census agent to the secretary of state of California that the census of that State was very loosely and imperfectly taken; that a large population of the Klamath River was not enumerated, being supposed erroneously to be within the Territory of Oregon, and that it was the opinion of the agent that "the result of this enumeration, when completed, would fall short of the entire population of the State from 33 to 50 per cent." It also appears that the legislature of California referred the statement furnished by the census agent to a joint committee of both houses, who reported the population of the State to be 300,000; and finally it appears from a letter of the census agent to the Superintendent of the Census, dated Sacramento City, 29th April, 1851, that he had then received from the various deputies throughout the State an estimate of the probable population (including those having furnished the complete returns), with the exception of one county, showing an aggregate of population varying somewhere from 135,000 to 140,000, falling short of the actual population, he was well convinced, not less than 60,000.

With this body of evidence before us, it seems scarcely possible to doubt that the aggregate population of California on the 1st of June, 1850, exceeded the highest ratio which could be obtained under any construction of the act of 1850 and the moiety thereof.

This evidence did not compare in force with the evidence submitted on behalf of the city of New York.

In 1870, Philadelphia demanded a recount. General Grant, then President, said: "If I do this, every city in the land will ask for the same thing." "Yes," said the applicants, "and if they were entitled to it, why should they not get it?" General Grant assented and the recount was granted.

In 1880, General Walker, Superintendent of Census, ordered a recount in several counties in South Carolina, because the reports of the enumerators made the population greater than he thought the normal rate of increase properly justified.

We could further multiply references, but I deem it unnecessary.

A recount, a revision, or an additional representative, on account of alleged errors, have been granted in one or more instances after the taking of nearly every census. New York presents as strong a *prima facie* case as can be found in the records. Why, then, should she not have justice? Is there any partisan political reason for objecting? Such a motive would be unworthy the honorable gentlemen composing the majority of this committee.

Under all the circumstances, therefore, we believe the resolution ought to be reported favorably and passed.

RICHARD H. McWHORTER.

FEBRUARY 25, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 2572.]

The Committee on Invalid Pensions to whom was referred the bill (H. R. 2572) granting arrears of pension to Richard H. McWhorter, submit the following report:

The claimant in this case asks that the Secretary of the Interior be directed to adjudicate his pension claim, and pay him the arrears of pension from the date of his discharge until the date at which the Pension Office acknowledged the receipt of his application, which was filed February 6, 1882. The invariable rule of this committee has been to deny all claims of this kind, unless it could be clearly shown that it was the fault of some officer of the Government that the claim had not been filed, or that the claimant was in such a mental condition as to render him unable to file his claim before the limitation expired.

The evidence submitted to your committee does not convince them an exception should be made in this case, or that it comes within the rules adopted by them and they therefore report adversely and ask that the bill lie on the table.

MARY F. MESSEMER.

FEBRUARY 25, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 10784.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 10784) granting a pension to Mary F. Messemer, widow of Capt. Cyrus J. Messemer, Fourth Missouri Militia, submit the following report:

The evidence in this claim discloses the fact that the death of claimant's husband was not due to wounds or injuries received in battle, but from disease alleged to have been contracted in service. It is the established rule of the committee to make favorable report only in cases where disability was incurred from wounds or injuries received in battle. This rule has been strictly adhered to in all State and militia organizations, and your committee, deeming it inadvisable to make an exception in this case, therefore recommend that the bill lie on the table.

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THOMAS S. DAWSON.

FEBRUARY 25, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 9307.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 9307) granting a pension to Thomas S. Dawson, submit the following report:

Claimant served in Company A, Thirty-fourth Iowa, and was honorably discharged therefrom. Filed declaration for pension in 1872; was rejected for the reason that special examination disclosed the fact of existence of disability prior to enlistment.

Claimant filed application under act of June 27, 1890. His claim is now before the board of review and will, without doubt, receive favorable adjudication; therefore your committee decline to give it favorable consideration, as they have uniformly done in cases of this kind, and recommend that the bill lie on the table.

JOHN N. SMITH.

FEBRUARY 25, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 5586.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 5586) granting a pension to John N. Smith, submit the following report:

Claimant was captain of Company H, Eighty-first Regiment Missouri Enrolled Militia. He alleges disability of leg, incurred by being thrown from his horse while going home from his command. Your committee beg leave to report that cases wherein disabilities, either by wounds or injuries, received in battle, are given favorable consideration. The injury in this case was not incurred in battle; therefore in accordance with established rules of the committee, favorable report can not be made.

Your committee recommend that the bill do lie on the table.

SAMUEL HENSLEY.

FEBRUARY 25, 1891.—Laid on the table and ordered to be printed.

Mr. MORRILL, from the Committee on Invalid Pensions, submitted the following

ADVERSE REPORT:

[To accompany H. R. 11822.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 11822) granting a pension to Samuel Hensley, Company G, Thirty-first Missouri Militia, submit the following report:

Claimant made application at the Bureau of Pensions, alleging that in the fall of 1861 he contracted piles. His claim was rejected on account of his service being in a State organization, which, under existing law, is not a pensionable service. It is the established rule of your committee to give favorable report in claims of militiamen or State organizations only in cases where they were wounded or injured in battle. This claim being for disease contracted, your committee can not give favorable report without establishing a new precedent, which if followed, would include an unlimited number of claims which have never been recognized by any general law, therefore recommend that the bill do lie on the table.

C

ALFRED T. MORELAND.

FEBRUARY 25, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. TAYLOR, of Tennessee, from the Committee on Invalid Pensions, submitted the following

REPORT:

[To accompany H. R. 11777.]

The Committee on Invalid Pensions, to whom was referred the bill (H. R. 11777) granting a pension to Alfred T. Moreland, of Johnson County, Tenn., submit the following report:

Alfred S. Moreland enlisted about November 1, 1864, for the period of 3 years, under one Wm. M. McQueen, who was then recruiting for Company L, Thirteenth Regiment Tennessee Cavalry. He enlisted in Johnson County, Tenn., the command then being stationed at Knoxville, Tenn., about 140 miles distant, and started for the same in company with the recruiting officer. While on the march he suffered much from the exposure incident to the trip, by reason of cold weather, poor clothing and scarcity of food, and was finally prevented to proceed on account of high waters. While struggling to reach his command, and in consequence of exposure, Moreland contracted diarrhea and disease of kidneys, which confined him to the house of one David H. Miller for about 2 weeks. After partial recovery he again started for the regiment, but he had a relapse, and when he finally reached the command he was so reduced in health and strength that the regimental surgeon, L. P. Blackburn, refused to have him mustered, consequently his name was not taken upon the rolls, and he has no pensionable status under the general law.

These facts are amply shown by the testimony of competent and reliable witnesses, including Surgeon Blackburn, who was personally acquainted with Moreland prior to his enlistment, and knew that the latter was a sound and able-bodied young man until he undertook the journey heretofore referred to.

Moreland, according to the medical and lay testimony before your committee, has not recovered from the disabilities contracted on his trip to join his command. On the contrary, he is a great sufferer therefrom and under medical treatment therefor most of the time.

The case appears to be one of merit and entitled to the favorable consideration of Congress, as your committee fully believe from the evidence presented.

The bill is therefore returned with the recommendation that it do pass, amended, however, by inserting between the words "Tennessee" and "on" in line 5 the words "a recruit of Company L, Thirteenth Regiment Tennessee Cavalry."

PUBLIC BUILDING AT MANCHESTER, VA.

FEBRUARY 25, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. LEHLBACH, from the Committee on Public Buildings and Grounds, submitted the following

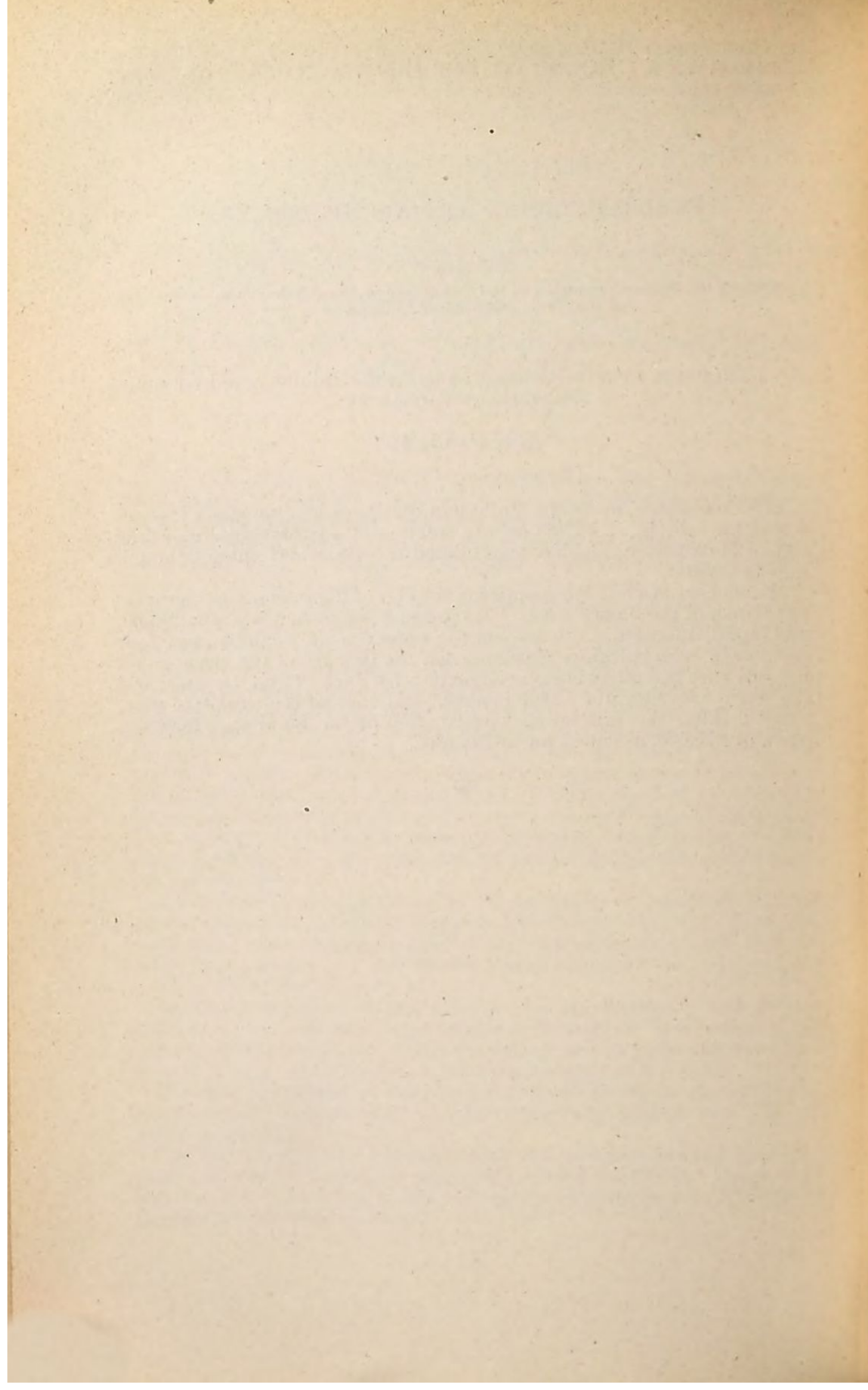
REPORT:

[To accompany H. R. 12766.]

The Committee on Public Buildings and Grounds, to whom was referred the bill (H. R. 12766) for the erection of a public building at the city of Manchester, Va., have considered the same and submit the following report:

Manchester is a city lying opposite the city of Richmond, on the southern banks of the James River. Its present population is about 10,000, and rapidly increasing. It has not the proper postal facilities, and your committee have therefore recommended the passage of the accompanying bill with the following amendments: In lines 12 and 21 strike out the word "seventy-five" and insert in lieu thereof the word "twenty-five," making the sum for the construction of the building \$25,000 in place of \$75,000, as called for in the bill.





FRANCIS J. KELLY.

FEBRUARY 25, 1891.—Committed to the Committee of the Whole House and ordered to be printed.

Mr. WILLIAMS, of Ohio, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany H. R. 13703.]

Your committee states that on the investigation of the facts of this case they find Francis J. Kelly enlisted and served 3 months in the Forty-third Pennsylvania State Militia as a musician, before he was 16 years of age; he was mustered out of said regiment August 13, 1863, and enlisted as a private in company K, Nineteenth Regiment Pennsylvania Cavalry, on the 22d day of August, 1863; received an injury in the line of duty and was sent to hospital at Philadelphia, where he remained in hospital from October 31, 1863, until August 31, 1864, when he was sent with other invalids who were convalescent to the defense of Washington City, where after some service he was sent to Lincoln Hospital, and from there to Little York Hospital. When he recovered he started for his regiment, which was in the southwest, supposed to be either at Nashville, Tenn., or somewhere in the State of Tennessee.

Arriving at Cincinnati he was detailed as orderly at General Willich's headquarters and remained two months and was then forwarded to his regiment, then at Memphis, Tenn., remained with his regiment until after the battle of Nashville in which he was an active participant and was complimented by his officers for his gallantry. He remained with his regiment until January, 1865, and received no pay for 10 months on account, as he was informed, because his descriptive roll had not been forwarded to the regiment from General Willich's headquarters in Cincinnati. He left the regiment for Cincinnati to obtain his descriptive roll. When he reached Cincinnati he found that General Willich was not in command and being without money to return to his regiment he enlisted in the Sixth United States Infantry under the name of Francis Cammeron and remained with that regiment until the 11th day of January, 1868, when he received an honorable discharge, having served in the Army almost five years.

It is evident that Mr. Kelly did not desert on account of leaving the service, but being a mere boy, without experience, he did not comprehend the grave character of his action in leaving his regiment at Nashville and going to Cincinnati for his descriptive roll, but, like all soldiers, he desired to be paid and, boy like, he concluded to go for his descriptive roll where he believed it was detained, expecting to return; but disappointed in not finding General Willich, being without money to return, he enlisted and served 3 years as a gallant man and brave soldier.

The committee believe, under the circumstances, the charge of desertion should not remain on his military record, and recommend the passage of the bill, with the following amendment: Strike out all after the word "deserter," in line 8 of the bill, and insert "and grant him an honorable discharge to date January 1, 1865."

REAL ESTATE EMBRACED IN SQUARES 635 AND 636,
WASHINGTON, D. C.

FEBRUARY 25, 1891.—Committed to the Committee of the Whole House on the state
of the Union and ordered to be printed.

Mr. MILLIKEN, from the Committee on Public Buildings, submitted the
following

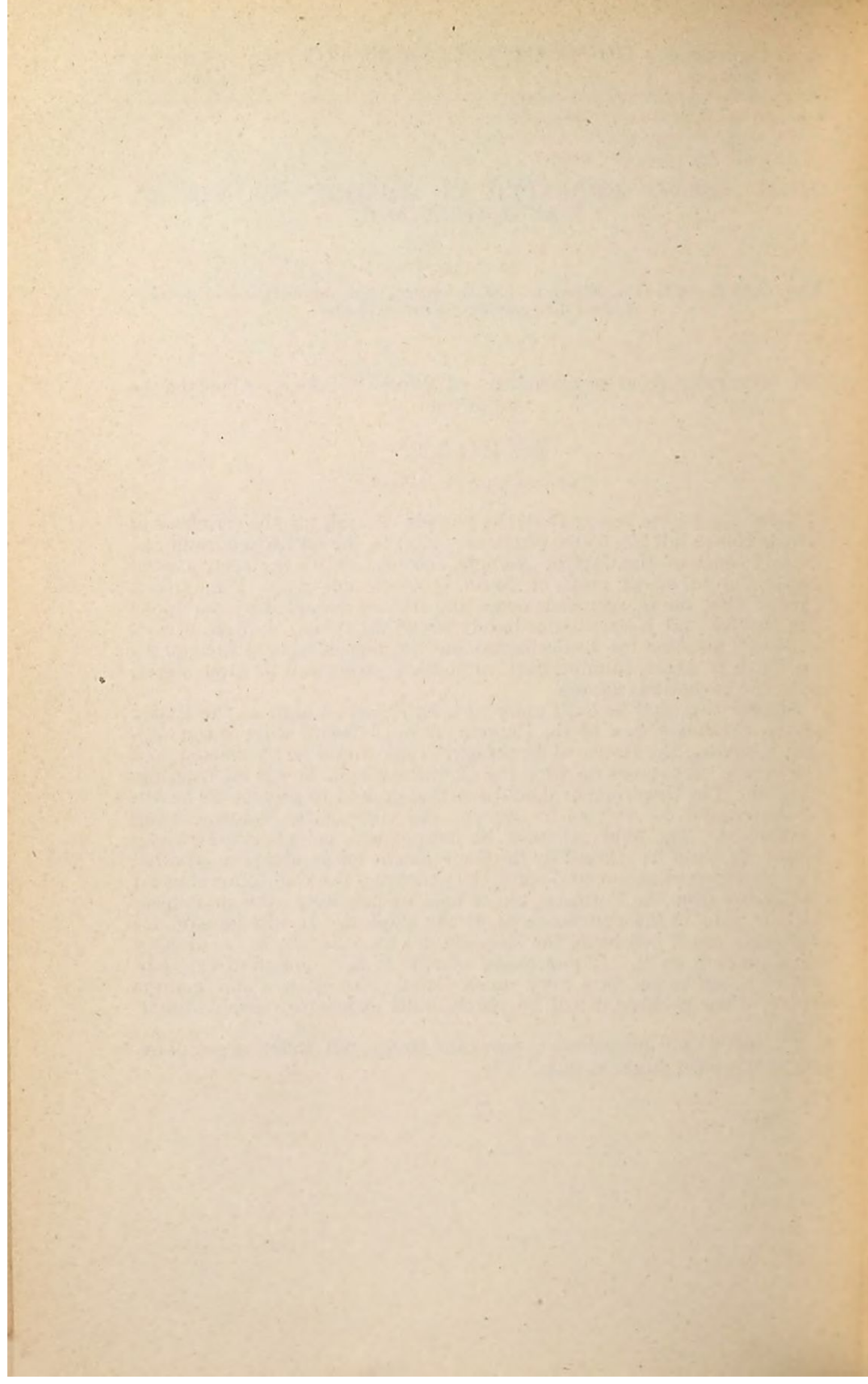
REPORT:

[To accompany H. R. 13601.]

Your committee report that the parcels of land, for the purchase of which House bill No. 13601 provides, comprise the entire square immediately south of the Capitol grounds, south of South B street, west of South Capitol street, north of South C street, and east of First street, except what the Government owns and what is occupied by the horse-car stables and houses immediately adjoining them. Indeed, it comprises all between the Butler house and the houses next to the stables on South B street, running back to South C street and to First street, with the exceptions named.

Should this land be built upon with buildings as high as the Butler house, the entire view of the Potomac from the south wing of the Capitol, including the House of Representatives, would be obstructed, and the breeze that comes up from the Potomac would be cut off from the Capitol. The Government should own this ground to protect the health of the capitol, as well as to prevent the view of the Potomac being obstructed. The land can now be bought at a comparatively cheap price. It could be utilized by the Government for buildings so situated and constructed as not to destroy the view from the Capitol or shut off the breeze from the Potomac, but if held by private parties no respect will be paid to the conveniences of the Capitol. It will be sold for whatever use it will bring the largest price for. Buildings are already springing up on it. If purchased now, it is the opinion of the committee it can be got for a very much lower price than a few months hence, when perhaps it will be partly built over with valuable buildings.

Therefore your committee report that House bill 13601, accompanying this report, ought to pass.



POSTAL SAVINGS BANKS.

FEBRUARY 25, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. EVANS, from the Committee on the Post-Office and Post-Roads, submitted the following

REPORT:

[To accompany H. R. 13404.]

The Committee on the Post-Office and Post-Roads, to whom was referred the bill (H. R. 13404) relating to the establishment of a system of postal savings banks as a branch of the Post-Office Department, make the following report:

Whatever can as well be done by private enterprise as by the Government should never be entered upon by the latter, and it is far from the purpose of your committee to supersede or interfere with sound banks now or hereafter organized by private enterprise or under State or national authority.

Your committee are of the opinion that private enterprise alone does not and can not in this respect meet the necessities of the industrious poor in any country, and particularly in the United States.

The New England States, having a dense population conveniently located about mills and factories, is in a greater degree than in any other part of the Union supplied with these institutions, averaging 1 to about every 9,000 inhabitants; the remaining thirty-eight States have on an average 1 savings bank to about 200,000 inhabitants.

Exhibit of deposits in nine States for 1890.—The amount of deposits in the savings banks of the six New England States, and in New York, New Jersey, and Pennsylvania, during the year 1890, aggregated the enormous sum of \$1,279,000,000, or an increase over the preceding year of \$65,000,000. The population of these nine States is about 17,300,000, and the number of depositors last year was 3,520,000, an increase of 140,000 for the year. It will thus be seen that the increase in the total amount of deposits for the year was equal to about \$18 for each depositor, or, to put it in another way, the total savings for the year amounted to nearly \$4 for each inhabitant.

Money invested in banks does not lie idle, and that which goes into building and loan treasuries is actively employed, but where there are none of these facilities for investment the small hoardings are laid away in a secure corner to meet the purposes for which they are intended.

Mr. Harrison, a former inspector of the money-order system of the Post-Office Department, gave this question of postal savings banks very careful consideration in all its bearings, and summed up his conclusions briefly, which your committee think so fully and aptly applies to the present situation that we quote them as follows, viz:

First. It would encourage economy and habits of thrift among the laboring classes by the certain protection that would be afforded thereby to their surplus earnings, which, for the want of a reliable cache, are now intrusted to insecure private banks

or investments, or are secreted beneath floors, in chimney crevices, under stumps in the fields and forests, or in other equally unsafe hiding places, or, worse still, are wasted in extravagance and dissipation.

Second. It would accommodate all classes in the many sections where no banks exist, and in all sections its system of cross deposits and withdrawals, which enable the depositor to make use of any post-office depository in the country, would commend it to public favor.

Third. It would tend to force from weird hiding places and to add to the circulation of the country many millions of dollars now worse than idle, especially in the South and Southwest, where few banks exist.

Fourth. It would promote loyalty and patriotism. Each depositor would have a direct and substantial interest in the stability and prosperity of the Government intrusted with the safe-keeping and safe return of its treasure.

Fifth. It would protect a class unable to protect itself—the toiling millions—against swindlers and robbers, fire and blood, unsafe investments, and unsound banks, against improvidence, recklessness, and dissipation.

Sixth. It would strengthen the finances of the nation by giving it a first lien upon the accumulated proceeds of the industries of its own citizens.

Seventh. It would go far toward securing the best possible service in post-offices, in the persons of postmasters and clerks, whose ability to give bonds for the correct and faithful discharge of their duties would, with few exceptions, depend upon their integrity, intelligence, and standing in community.

Eighth. It would, by absorbing a large portion of the national debt, keep at home and in circulation a great amount of money now sent abroad to pay interest on securities held by the foreign creditors of the Government.

Ninth. It would be a bulwark of defense against panics and financial crises. Runs would not be made upon post-office banks, nor would their doors or their coffers ever be closed against a depositor's draft so long as a dollar remained to his credit on his passbook. Their funds would constitute a reserve upon which the masses could implicitly rely in times of financial disaster and business depression.

The success that has attended the establishing of the system of postal savings banks in each and every government that has adopted such a system fully demonstrates the correctness of the predictions made, and your committee are of the opinion that like results would attend such a system in connection with the post-offices in our country. Its offices are already organized, established, and opened at the exact places where this business can be most conveniently transacted, and these numerous depositories where the small earnings or savings could be deposited would serve largely as educators to familiarize and train in a business way that large class of our people who do not patronize banks, but have every confidence in the stability of our Government, and in the end would encourage and increase the deposits in other banking institutions, as it has done in all other countries that have established similar systems.

In 1807 Mr. Whitbread, a member of the British House of Commons, began the discussion, which was vigorously continued after him by Mr. Sikes. For 54 years the philanthropists in Parliament kept up the agitation against the most determined opposition from the owners and adherents of private savings banks and banking institutions, until May 17, 1861, when success crowned their efforts, and the act (24 V., xiv) known as "An act to grant additional facilities for depositing small savings at interest with the security of the Government for due repayment thereof," was passed, and received the royal sanction.

In 1876, 15 years after the establishment of the post-office banks, the accumulated capital of the private savings banks had increased until it amounted to £2,024,000 (about \$10,000,000) more than in 1860, 1 year before the opening of the postal banks, thus proving that the fears of the promoters of the private savings-bank interest were not well grounded, and that a large portion of the population were still willing to risk the security offered by these institutions in return for the larger interest paid on their deposits.

September 16, 1861, three hundred post-offices in the United Kingdom were opened for savings-bank business, and on that day, memorable as the first business day in the history of these institutions for the benefit of the laboring people, 435 accounts were opened and 435 deposits, amounting to £911 (\$4,436.57), were made. From this small beginning grew the stupendous philanthropic fabric, beneficial alike to the government and to its citizens, to the borrower and to the lender, which now counts its patrons by millions, and its capital by hundreds of millions. At the close of the first full year's business, December 31, 1862, there were 2,535 British post-offices engaged in transacting savings-bank business, and the amount standing to the credit of depositors was £1,698.221 (\$8,270,336.27). During the period of fifteen and a half months subsequent to their commencement the deposits had numbered 639,216, amounting to £2,114,669 (\$10,298,438.03), and the withdrawals 97,294, amounting to £438,637 (\$2,136,162.19). From this date until the present time the number of post-office depositories, and the number and amount of the deposits has steadily increased; no single year, for more than twenty in succession, has shown a falling off in business, or a diminution of the public confidence.

At the close of the year 1880 the depositories numbered 6,233, and the amount standing to the credit of depositors was £33,744,637 (\$164,336,382.19), entered upon 2,184,972 pass-books. The number of deposits during that year was 3,754,064, and of withdrawals 1,465,331, amounting, respectively, to £10,219,631 and £9,218,444 (\$49,769,602.97 and \$44,893,822.28). The post-office pays $2\frac{1}{2}$ per cent. on deposits, and adds the accrued interest to the principal of the depositor's account on the last day of December in each year.

Great Britain, 1889.—The business of savings banks continues to increase. The deposits in the year numbered 8,101,120, and amounted to £19,814,308 (or about \$99,000,000). The number of deposits for 1888 were 7,540,625, and the amount in total was £19,052,226 (or about \$95,000,000).

The withdrawals were 2,757,848 in number and £16,814,268 in amount, showing an increase of 124,040 in number and of £1,011,533 in amount as compared with 1888.

The greatest number of deposits in one day was 55,095, amounting to £137,336, and made on the 30th of December, but the largest amount deposited any one day was December 31, viz, £158,218.

Austria, Sweden, Belgium, The Netherlands, France, Russia, and Italy furnished the most satisfactory statistics as to the progress of the system of postal savings banks, under the direction and control of their respective governments.

In Canada, New Zealand, New South Wales, and Victoria the cost of management averages about 0.4 per cent. of the amount of funds in possession of the bank.

In the United States, where higher salaries prevail, and where the commissions paid to postmasters for money-order and other postal transactions are larger than in other countries, it is estimated that the cost of management for the first few years at least may reach 0.50 per cent.

Your committee submit herewith extracts from an able writer in an English magazine which are quite pertinent to the question presented, and it seems the principle would apply to the United States as well as other countries:

How can the rich best help the poor is a question in discussing which rivers of ink have been poured forth, and the question is still unanswered. But certain points

in the discussion have been settled. It is generally felt that workingmen do not want any more patting on the back, or charitable patronage; all they want is to be shown how they can best help themselves, and to be convinced that every right-thinking man should owe his success, his happiness, to his own perseverance and thrift. Unfortunately, there are many institutions in this country which have been started with the best intentions, the outcome of the purest benevolence, but which nevertheless encourage, and, perchance, have originated the very evils they were designed to check. They make men dependent upon charity, and cause them to feel that if they are to be raised from poverty or degradation it must be by the charity of the benevolent.

Such institutions undermine self-respect and destroy that healthiest of all virtuous feeling, a desire to be independent. No man in this country ought to look forward to the workhouse, or to asylums, or to public charity of any kind; and by and by, when knowledge has run to and fro in the land, it may be that the lamentable extravagance which is now the bane of the English poor may be checked and habits of thrift become more general. Living for the future, exercising foresight, are not characteristics of the working classes of this country. These things come with education and consequent mental discipline; with the power of being able to perceive that present self-denial yields a present gratification as well as a future reward. A savings-bank depositor is doing good to himself as an individual, to his family, to his neighborhood, to the state. A writer in the *Quarterly Review* remarks: "Henri Quatre wished that every peasant in France could have a fowl in his pot." If every workingman in England had a little property, a provision against misfortune and old age, a something to leave to his children, a stake in the country in fact, becoming thus necessarily a supporter of order, our institutions would be placed on so sound a basis that, humanly speaking, nothing could shake them.

To attain this end the workingman, as we have said, needs not so much to be helped as to be shown how to help himself, and a thorough exposition of the savings-bank system, whether by employers, lecturers, or ministers, and philanthropists in general, is one of the important means that may be employed in stimulating the poor to provident habits, the middle classes to a consideration of the increasing evils of living up to the last penny of income in order to keep up appearances, and the young to early frugality, so that thrift may become a habit as years advance.

Our neighbors—Canada.—The system went into effect in Canada on the 1st of April, 1868, at eighty-one offices, the deposits amounting for the year ending June 30, 1869, to \$856,814.26. For the year ended June 30, 1889, the number of depositors was 113,123, and the aggregate amount to credit of depositors \$22,413,123.

An interesting inquiry made in Canada in 1885 disclosed the fact that the most largely interested class in the postal savings banks were farmers, whose deposits comprised over one-third of the whole; that the deposits of married women were the next most numerous, being nearly one-fifth of the whole. Next to these in order came mechanics, single women, laborers, widows, clerks, and tradesmen, while professional men are near the foot of the list.

FRANCE.—The establishment of the postal-savings banks in France was authorized in 1881, and on the 31st of December, 1888, the number of open accounts was 1,129,984 and the amount to the credit of the depositors \$51,490,200.

On the 31st of December, 1889, the number of depositors in Austria was 719,431, and the amount of deposits \$8,511,250.

Similar reports from other governments that have adopted the postal savings-bank system show in every case the progress, prosperity, and favor with which the system has been met and patronized by the people.

The bill provides:

Section 1 authorizes the Postmaster-General to designate post-offices as postal-savings banks.

Section 2 directs the Postmaster-General to furnish 10 cent and \$1 postal-savings stamps and cards to be used in lieu of pass books.

Section 3 directs that the deposits shall be sent to designated depositories and authorizes Secretary of Treasury to loan same on collat-

eral securities to such depositories within the States where such deposits are made.

Section 4 requires Postmaster-General and Secretary of Treasury to provide and issue for such deposits interest-bearing notes in sums of \$20 and \$100, at 2.4 per cent. per annum.

Section 5 directs that loans may be made by the Secretary of Treasury to designated or approved depositories at not less than 3 per cent. per annum.

Section 6 limits deposits of any one individual to \$500.

All power under our form of government comes from the people—an aggregation of individual voters. If these are vicious and unthrifty, bad government and finally utter failure must follow. Idleness results in poverty and vice. Industry is promoted by increasing the facility and certainty with which its fruits may be preserved and enjoyed. An industrious, frugal, thrifty man is rarely a bad citizen, and good citizenship insures a wise and stable government.

In the light of these facts and the great success which has attended the establishment of the postal-savings system in other countries, your committee can not give much weight to objections based upon mere theories—objections which have been repeatedly met and overcome abroad by the stern logic of actual experience.

The expenses of the system are to be paid from the profits of the business.

Your committee believe the provisions of this bill to be wise and that by its operations both the depositor and the Government would be mutually benefited. We also believe that this business can properly be conducted by the Post-Office Department. The latter is now engaged in carrying merchandise and selling exchange for the sole purpose of adding to the commercial facilities of the people, while the system hereby proposed will not alone prove a great convenience, but will elevate the standard of citizenship and largely promote the prosperity and happiness of all.

Recognizing the obligations which we, as legislators, owe to that numerous class upon whose industry, frugality, and resulting virtues the prosperity of our country and the permanence of its institutions must at all times rest, we believe all technical objections which stand in the way of their best interests should be swept aside and that the welfare of these, the industrious poor, the producing millions of our land, should be given paramount consideration.

Your committee therefore recommend the passage of the bill.

EXHIBIT A.

Form of "postal-savings card" proposed for use under provisions of section 2 of H. R. 13404.

[In five, ten, and twenty dollar issues or forms.]

Postal savings. ONE DOLLAR.	Postal savings. ONE DOLLAR.	Postal savings. ONE DOLLAR.				

Postal savings. TEN CENTS.	Postal savings. TEN CENTS.	Postal savings. TEN CENTS.				
Postal savings. TEN CENTS.	Postal savings. TEN CENTS.					

CAUTION! The loss of this card will entail upon its owner the loss of the amount paid for the stamps affixed thereon, inasmuch as no record of the amount of stamps upon outstanding cards is kept by the

Postal-Savings Depository.

Name of depositor _____, Age _____

Occupation _____

Residence, No. _____, Street, _____

Town or City _____

County _____

State _____

The amounts represented by the Postal-Savings Stamps affixed upon this card are not entitled to interest, nor can they be withdrawn except at _____ and only upon authority from the _____ Postmaster-General.

N. B.—The affixing or canceling of stamps upon this card, other than by the depository at _____, is prohibited, and will render it void and not redeemable.

TEN CENTS.

TEN CENTS.

THE

POSTAL-SAVINGS

\$20.00

DEPOSITORY.

This certifies that _____ is entitled to a certificate of deposit for

TWENTY DOLLARS,

bearing interest at the rate of TWO AND FOUR-TENTHS PER CENTUM per annum, upon the surrender of card with

TWENTY DOLLARS' WORTH OF POSTAL-SAVINGS STAMPS

properly affixed and canceled thereon, at the DEPOSITORY at _____

.....

N. B.—This card is not transferable, nor is it of any value to any person or at any depository other than that named hereon.

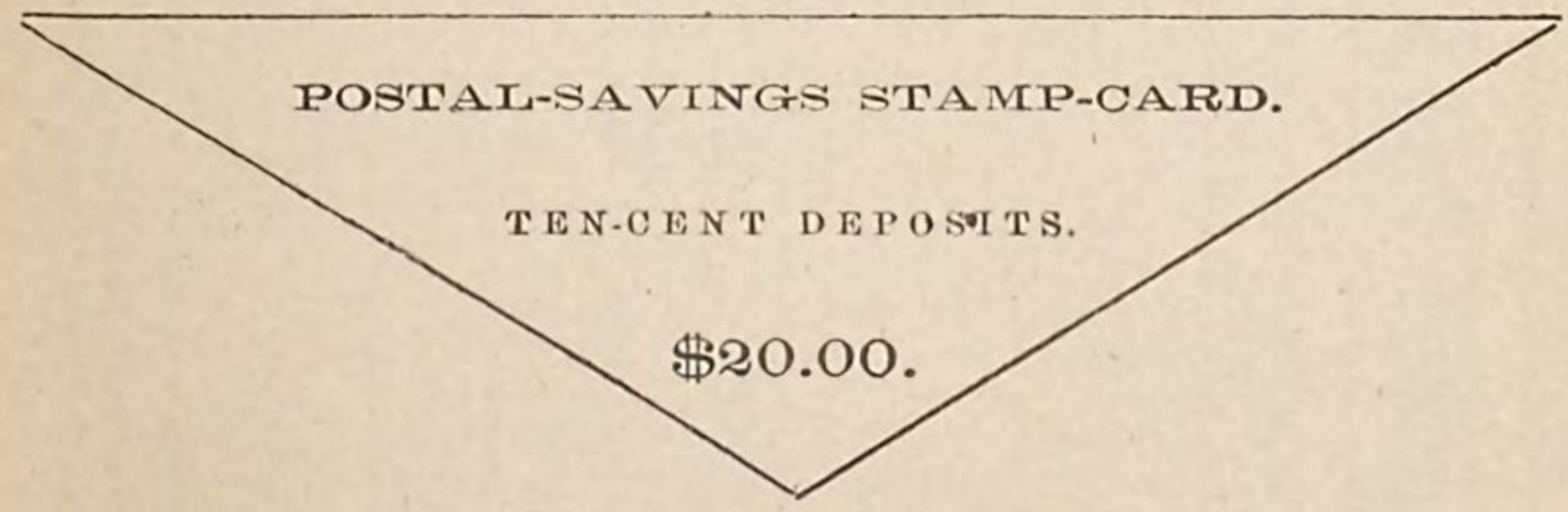


EXHIBIT B.

States.	Banks.	Deposits.		
		Amount.	Number.	Average.
Mutual savings banks, official:				
Maine	55	\$43,977,085	132,192	\$332.68
New Hampshire.....	72	65,727,019	159,782	411.35
Vermont.....	20	14,757,287	51,398	287.12
Massachusetts.....	177	332,723,688	1,029,694	323.13
Rhode Island.....	38	60,479,707	127,898	472.88
Connecticut.....	86	110,370,962	294,896	374.27
New York.....	124	550,066,657	1,420,997	387.10
New Jersey.....	26	30,946,878	117,853	262.58
Maryland.....	16	35,603,591	121,975	291.89
District of Columbia.....	1	1,303,717	12,534	104.01
Ohio.....	4	19,207,004	47,294	406.10
Indiana.....	5	3,078,608	13,062	235.69
Wisconsin.....	1	67,539	615	109.81
Total.....	625	1,268,309,742	3,530,190	.....
Mutual savings banks, unofficial:				
Pennsylvania.....	9	63,957,341	216,757	295.06
Delaware.....	2	3,603,531	16,000	225.22
West Virginia.....	1	130,536	2,371	55.06
Total.....	12	67,691,408	235,128	.....
Stock savings banks, official:				
Vermont.....	11	4,573,277	14,361	318.45
Maryland.....	7	320,520	1,839	174.29
North Carolina.....	4	209,363	4,043	51.78
Georgia.....	12	2,637,648	43,876	60.12
Louisiana.....	1	1,182,482	3,421	345.65
Illinois.....	15	11,193,401	42,170	265.43
Michigan.....	67	27,237,582	124,664	218.49
Iowa.....	59	16,336,787	44,838	364.35
Minnesota.....	8	5,845,209	21,017	278.12
California.....	37	98,442,007	124,967	787.74
New Mexico.....	1	109,407	418	261.74
Utah.....	7	1,512,580	9,881	153.08
Washington.....	6	523,129	5,634	92.85
Total.....	235	170,123,392	410,129	.....
Stock savings banks, unofficial:				
Pennsylvania.....	4	1,625,602	4,856	334.76
West Virginia.....	1	169,692	3,859	44.00
South Carolina.....	13	3,274,440	21,855	149.82
Florida.....	2	85,462	467	183.00
Tennessee.....	10	1,650,940	13,577	121.60
Ohio.....	10	8,936,259	26,041	343.16
Montana.....	1	344,599	3,233	106.59
Nebraska.....	8	2,632,970	18,558	141.19
Total.....	49	18,719,964	92,446	.....
Grand total.....	921	1,524,844,506	4,258,893	358.04

EXHIBIT C.

For convenience of reference a table is here given, showing the condition of postal-savings banks in the principal European countries at the beginning of the year 1889.

Countries.	Year of estab-lish-ment.	Depositors December 31, 1888.	Deposits.			Repayments.			Aggregate amount of the sums due the depositors.	Average due each depositor.	Depositors per 1,000 in-habitants.	Aggregate of the sums due per 1,000 in-hab-itants.
			Number.	Aggregate amount.	Average.	Number.	Aggregate amount.	Average.				
Austria:												
Saving	1883 {	655,335	1,147,917	\$7,728,058.14	\$6.75	356,184	\$6,625,402.43	\$18.20	\$7,236,419.20	\$11.04	29	\$327.55
Clecks	1869	14,296	4,281,780	310,765.131.79	72.58	1,238,144	310,111,655.40	2.51	136,472,448.09	951.62	64	616.15
Belgium	1868	392,316	831,489	11,766,469.65	14.15	203,530	8,310,548.93	40.83	27,491,933.83	70.07	65	4,559.16
Canada		108,409	160,085	8,078,245.25	50.50	83,081	7,830,114.22	94.25	22,581,626.67	208.44	23	4,599.09
France, including Al-												
geria and Tunis	1882	1,129,984	1,455,780	32,677,370.98	22.44	536,665	25,710,535.92	47.91	51,490,200.19	44.66	25.70	1,174.60
Hungary	*1886	129,887	431,108	1,734,729.25	4.02	118,654	1,355,229.98	11.42	1,412,685.30	10.88	7.80	85.61
Italy	1876	1,710,943	2,040,927	33,313,152.35	16.32	1,162,234	30,160,894.74	29.95	49,516,486.07	28.94	60	1,739.76
Netherlands	1881	201,763	445,799	3,762,317.61	8.48	131,909	2,745,164.84	20.67	5,666,260.56	27.98	47.20	895.73
United Kingdom	1861	4,220,927	7,540,625	92,662,606.33	12.28	2,633,808	76,858,181.95	29.18	284,794,877.70	77.47	1.11	7,488.01
Sweden		174,327	212,206	877,875.36	4.22	41,191	418,863.46	10.17	1,301,306.94	7.46	37	275.03

*February 1.

EXHIBIT D.

Statement of the debt of the United States for the month of December, 1890.

INTEREST-BEARING DEBT.

Title of loan.	Authorizing act.	Rate.	When redeem-able.	Interest payable.	Amount issued.	Amount outstanding.		
						Registered.	Coupon.	Total.
Funded loan of 1891.....	July 14, 1870, and Jan. 20, 1871.	4½ per cent.....	Sept. 1, 1891....	M., J., S., and D....	\$250,000,000	\$14,812,100	\$14,365,450	\$59,177,550
Funded loan of 1907.....	July 14, 1870, and Jan. 20, 1871.	4 per cent.....	July 1, 1907....	J., A., J., and O....	740,813,600	482,940,200	76,802,500	559,742,700
Refunding certificates	February 26, 1879	4 per cent.....	do	do	40,012,750	.....	.....	99,490
Aggregate of interest-bearing debt, exclusive of United States bonds issued to Pacific Railroads, as stated below					1,030,832,350	527,752,300	91,167,950	619,019,740

EXHIBIT D.—Statement of the debt of the United States for the month of December, 1890.—Continued.

DEBT ON WHICH INTEREST HAS CEASED SINCE MATURITY.

Title of loan.	Authorizing act.	Rate.	Matured.	Amount.
Old debt	Various, prior to 1858.....	$\frac{1}{2}$ to 6 per cent	At various dates prior to January 1, 1861.....	\$151,820.26
Loan of 1847	January 28, 1847.....	6 per cent.....	December 31, 1867.....	950.00
Texas indemnity stock	September 9, 1850.....	5 per cent.....	December 31, 1864.....	20,000.00
Loan of 1858	June 14, 1858.....	5 per cent.....	After January 1, 1874.....	2,000.00
Loan of 1860	June 22, 1860.....	5 per cent.....	January 1, 1871.....	10,000.00
5-20's of 1862 (called)	February 25, 1862.....	6 per cent.....	December 1, 1871, and at subsequent dates.....	251,700.00
5-20's of June, 1864 (called)	June 30, 1864.....	6 per cent.....	November 13, 1875, and at subsequent dates.....	44,050.00
5-20's of 1865 (called)	March 3, 1865.....	6 per cent.....	February 15, 1876, and at subsequent dates.....	24,150.00
10-40's of 1864 (called)	March 3, 1864.....	5 per cent.....	July 9, 1879, and at subsequent dates.....	46,100.00
Consols of 1865 (called)	March 3, 1865.....	6 per cent.....	August 21, 1877, and at subsequent dates.....	142,900.00
Consols of 1867 (called)	March 3, 1865.....	6 per cent.....	April 1, 1879, and at subsequent dates.....	214,950.00
Consols of 1868 (called)	March 3, 1865.....	6 per cent.....	July 4, 1879.....	46,700.05
Loan of February, 1861	February 8, 1861.....	6 per cent.....	December 31, 1880.....	6,000.00
Funded loan, 1881 (called)	July 14, '70; Jan. 20, '71.....	5 per cent.....	May 21, 1881, and at subsequent dates.....	43,150.00
Funded loan, 1881 (called)	July 14, '70; Jan. 20, '71.....	5 per cent., continued at $3\frac{1}{2}$ per cent.....	December 23, 1882, and at subsequent dates.....	29,450.00
Oregon war debt	March 2, 1861.....	6 per cent.....	July 1, 1881.....	2,550.00
Loan of July and August, 1861.....	July 17 and August 5, 1861.....	6 per cent.....	June 30, 1881.....	80,950.00
Loan of July and August, 1861 (called)	July 17 and August 5, 1861.....	6 per cent., continued at $3\frac{1}{2}$ per cent.....	December 24, 1881, and at subsequent dates.....	36,250.00
Loan of 1863 ('81's)	March 3, 1863.....	6 per cent.....	June 30, 1881.....	11,600.00
Loan of 1863 ('81's), called	March 3, 1863.....	6 per cent., continued at $3\frac{1}{2}$ per cent.....	August 1, 1882, and at subsequent dates.....	1,150.00
Loan of July 12, 1882 (called)	July 12, 1882.....	3 per cent.....	December 1, 1883, and at subsequent dates.....	118,400.00
Treasury notes of 1861	March 2, 1861.....	6 per cent.....	March 1, 1863.....	2,500.00
7-30's of 1861	July 17, 1861.....	$7\frac{3}{8}$ per cent.....	August 19 and October 1, 1864.....	10,800.00
One-year notes of 1863	March 3, 1863.....	5 per cent.....	At various dates in 1865.....	33,695.00
Two-year notes of 1863	March 3, 1863.....	5 per cent.....	At various dates in 1866.....	28,300.00
Compound-interest notes	March 3, '63; June 30, '64.....	6 per cent.....	June 10, 1867, and May 15, 1868.....	180,680.00
7-30's of 1864-'65	June 30, '64; March 3, '65.....	$7\frac{3}{8}$ per cent.....	August 15, 1867, and June 15 and July 15, 1868.....	129,750.00
Certificates of indebtedness	March 1, 17, '62; March 3, '63.....	6 per cent.....	At various dates in 1866.....	4,000.00
Temporary loan	June 30, 1864.....	4 to 6 per cent.....	October 15, 1866.....	2,960.00
3 per cent. certificates (called)	March 2, '67; July 25, '68.....	3 per cent.....	February 28, 1873.....	5,000.00
Aggregate of debt on which interest has ceased since maturity				1,682,505.26

DEBT BEARING NO INTEREST.

Legal tender notes, February 25, 1862, July 11, 1862, March 3, 1863	\$346,681,016.00
Old demand notes, July 17, 1861, February 12 1862	56,032.50
National bank notes:	
Redemption account, July 14, 1890	51,323,030.75
Fractional currency, July 17, 1862, March 3, 1863, June 30, 1864	\$15,286,560.97
Less amount estimated as lost or destroyed, act of June 21, 1879	8,375,934.00
	6,910,626.97
Aggregate of debt bearing no interest, including national bank fund deposited in the Treasury under act of July 14, 1890.....	
	404,970,706.2

CERTIFICATES AND NOTES ISSUED ON DEPOSITS OF GOLD AND SILVER, AND LEGAL-TENDER NOTES.

Classification of certificates and notes.	In the Treasury.	In circulation.	Amount issued.
Gold certificates, March 3, 1863, July 12, 1882.....	\$31,384,690	\$144,047,279	\$175,431,969
Silver certificates, February 28, 1878	1,566,315	308,289,463	309,855,773
Currency certificates, June 8, 1872	10,000	6,810,000	6,820,000
Treasury notes of July 14, 1890.....	2,193,717	21,896,783	24,090,500
Aggregate of certificates and notes, offset by cash in the Treasury	35,154,722	481,043,525	516,198,247

EXHIBIT D.—Statement of the debt of the United States for the month of December, 1890—Continued.

COMPARISON OF DEBT WITH THE PRECEDING MONTH.

Classification of debt.		Dec. 31, 1890.	Nov. 30, 1890.	Decrease.	Increase.	Net decrease.
Interest-bearing debt exclusive of bonds issued to Pacific Railroads.....		\$619, 019, 740. 00	\$629, 492, 590. 00	\$10, 472, 850. 00		
Debt on which interest has ceased since maturity.....		1, 682, 505. 26	1, 687, 345. 26	4, 840. 00		
Debt bearing no interest, including national-bank fund, deposited in the Treasury under act of July 14, 1890		404, 970, 706. 22	406, 642, 298. 22	1, 671, 592. 00		
Aggregate of interest and non-interest bearing debt.....		1, 025, 672, 951. 48	1, 037, 822, 233. 48	12, 149, 282. 00		
Certificates and notes offset by an equal amount of cash in the Treasury		516, 198, 247. 00	511, 473, 893. 00	.....	\$4, 724, 354. 00	
Aggregate of debt, including certificates and notes		1, 541, 871, 198. 48	1, 549, 296, 126. 48	7, 424, 928. 00		
Cash in the Treasury.		Dec. 31, 1890.	Nov. 30, 1890.			
Reserved for the following purposes:						
For redemption of United States notes, acts of January 14, 1875, and July 12, 1882		\$100, 000, 000. 00	\$100, 000, 000. 00			
For redemption of gold certificates issued.....		175, 431, 969. 00	175, 072, 069. 00			
For redemption of silver certificates issued.....		309, 855, 778. 00	310, 553, 024. 00			
For redemption of currency certificates issued.....		6, 820, 000. 00	6, 590, 000. 00			
For redemption of Treasury notes, act July 14, 1890.....		24, 090, 500. 00	19, 258, 800. 00			
For matured debt, accrued interest, and interest due and unpaid.....		5, 670, 597. 05	5, 341, 668. 44			
Total cash reserved for above purposes.....		621, 868, 844. 05	616, 815, 561. 44			
Available for other purposes:						
Fractional silver, fractional currency, and minor coin not full legal tender		19, 153, 006. 13	19, 216, 749. 67			
Net cash balance, including national-bank fund deposited in the Treasury under act of July 14, 1890		38, 418, 806. 63	39, 827, 875. 71			
Total.....		679, 440, 656. 81	675, 800, 186. 82	.....	3, 580, 469. 99	
Debt, less cash in the Treasury.....		862, 430, 541. 67	873, 435, 939. 63	.....	.....	\$11, 005, 397. 99

BONDS ISSUED IN AID OF THE CONSTRUCTION OF THE SEVERAL PACIFIC RAILROADS AND INTEREST PAID THEREON BY THE UNITED STATES, AND CONDITION OF PACIFIC RAILROAD SINKING FUND CREATED BY ACT OF MAY 7, 1878.

Name of railway.	Principal outstanding.	Interest accrued and not yet paid.	Interest paid by the United States.	Interest repaid by companies.		Balance of interest paid by the United States.	Sinking fund.		
				By transportation services.	By cash payments; 5 per cent. net earnings.		Bonds.	Cash.	Total.
Central Pacific	\$25,885,120.00	\$776,553.60	\$34,324,305.67	\$6,176,358.31	\$658,283.26	\$27,489,664.10	\$3,878,000.00	\$8,036.26	\$3,886,036.26
Kansas Pacific	6,303,000.00	189,090.00	8,776,593.09	3,855,098.25	...	4,921,494.84	...	...	...
Union Pacific	27,236,512.00	817,095.36	36,397,185.45	12,561,100.39	438,409.58	23,397,675.48	9,368,400.00	20,653.20	9,389,053.20
Central Branch, Union Pacific	1,600,000.00	48,000.00	2,221,808.26	448,710.65	6,926.91	1,766,170.70	...	...	...
Western Pacific	1,970,560.00	59,116.80	2,495,884.14	9,367.00	...	2,486,517.14	...	...	...
Sioux City and Pacific	1,628,320.00	48,849.60	2,148,191.89	170,739.59	...	1,977,452.30	...	...	...
Total	64,623,512.00	1,938,705.36	86,363,968.50	23,221,374.19	1,103,619.75	62,038,974.56	13,246,400.00	28,689.46	13,275,089.46

The foregoing is a correct statement of the public debt at the close of business December 31, 1890.

TREASURY DEPARTMENT, January 2, 1891.

WILLIAM WINDOM,
Secretary of the Treasury.

RELATING TO THE TERRITORY OF OKLAHOMA.

FEBRUARY 25, 1891.—Referred to the House Calendar and ordered to be printed.

Mr. STRUBLE, from the Committee on the Territories, submitted the following

REPORT:

[To accompany S. R. 138.]

Upon examination the committee find that the legislature of Oklahoma Territory did, during the closing hours of the session, provide a code of civil and criminal procedure; that this code, together with the other laws of the Territory, have been printed and distributed, and the passage of the Senate bill would work a great injustice to the people of the Territory. We further find that there is no officer in said Territory who is legally authorized to record deeds and other instruments of writing.

The probate courts, which heretofore under the organic act have had such civil and criminal jurisdiction as is now conferred on county courts by the laws of the State of Nebraska, were by the terms of said organic act deprived of such jurisdiction at the expiration of the first session of the legislative assembly of said Territory. This has clogged the dockets of the district court with cases transferred from the probate courts, and the people of the Territory are thereby deprived of the means of obtaining speedy justice in their courts.

Your committee therefore recommend that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following, viz:

That the laws of the State of Nebraska, authorizing the county clerks to perform the duties of register of deeds as prescribed in chapter eighteen of the compiled Statutes of Nebraska, excepting the limitation as to population of counties as therein contained, are hereby extended over and put in force in the Territory of Oklahoma until such time as the legislative assembly of said Territory shall otherwise provide, and the laws of the State of Nebraska relating to the jurisdiction of county courts and the duties of the judges thereof shall apply to the probate courts and the judges thereof of said Territory until such time as the legislative assembly shall otherwise provide.

And that, as thus amended, the said bill do pass.

SCHOOL LANDS IN OKLAHOMA TERRITORY.

FEBRUARY 25, 1891.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. PERKINS, from the Committee on the Territories, submitted the following

REPORT:

[To accompany S. 4171.]

The Committee on the Territories, to whom was referred the bill (S. 4171) authorizing the leasing of school lands in the Territory of Oklahoma, and for other purposes, having duly considered the same, submit the following report:

The committee reports that almost all the school sections in Oklahoma Territory are devoid of timber; that they constitute excellent grazing lands and are now used for that purpose without any resultant benefit to the school fund of the Territory. It would be a great benefit to the schools of the Territory if the school lands could be leased as provided in this bill; we therefore recommend its passage.

HILL vs. CATCHINGS.

FEBRUARY 25, 1891.—Ordered to be printed and laid over.

Mr. ROWELL, from the Committee on Elections, submitted the following

REPORT:

The Committee on Elections, having had under consideration the contested-election case of Hill *vs.* Catchings, from the Third Congressional district of Mississippi, submit the following report:

At the election held November 6, 1888, for Representative in Congress from the Third Congressional district of Mississippi, James Hill was the Republican and T. C. Catchings the Democratic candidate. Catchings received the certificate of election, his majority according to the returns being 7,011.

We insert the returns by counties:

Counties.	T. C. Catchings.	James Hill.
Bolivar	1, 673	951
Coahoma	945	1, 257
Sharkey	662	185
Quitman	130	144
Sunflower	379	2
Warren	2, 745	585
Washington	2, 603	613
Issaquena	779	275
Tunica	879	600
Le Flore	829	1
Total	11, 624	4, 613

Catchings's reported majority, 7,011.

The notice of contest alleges fraudulent refusal to receive the ballots of legal voters; fraudulent refusal to hold elections in several large Republican precincts; that the whole election machinery of the district was in the hands of friends of contestee, in violation of the statutes; that the United States supervisors were prevented from discharging the duties imposed upon them by law; and that the returns transmitted to the secretary of state are fraudulent.

The population of the district is largely colored, the proportion of colored to white being about 4 to 1. The evidence discloses the fact that a large majority of the colored voters are Republicans, and a large majority of the white voters are Democrats. On a fair election, with both parties equally well organized and with equally acceptable candidates, there is no question but that the district would go Republican by a very large majority.

The committee, however, are of opinion, from the evidence presented to them, that T. C. Catchings was elected by a majority of all the legal votes cast, but by a much less majority than was returned for him. He was popular with his party, was believed to be especially efficient in representing the interests of his district, and to be able to do more in the way of securing Government aid in protecting the lands of the district from the ravages of the Mississippi River than was his opponent. He was stronger than his party, and was supported in some parts of the district by influential colored Republicans. In addition, his party was well organized and more fully registered than the opposition.

Mr. Hill was popular with the colored Republicans in most of the district, but failed to secure the active support of the white Republicans. In a portion of the district his adherents were not organized, and in only a small portion of the whole district did he have that kind of effective organization which would enable his followers to poll anything like a full vote.

In reporting that contestee was duly elected, as shown by the evidence, we by no means mean to be understood as saying that the election as a whole was free and fair. On the contrary, we are satisfied that preparation was made to commit fraud if necessary to secure the election of contestee, and that in some instances the preparation ripened into action. By the statutes of Mississippi the election machinery of the State is primarily in the hands of the governor, lieutenant-governor, and secretary of state. Previous to each general election these State officers are required to appoint three commissioners of election for each county, not all of whom shall be of the same political party. These commissioners appoint the precinct inspectors, with a like limitation as to party affiliation.

Such a statutory provision for allowing opposing parties to have representation on all election boards having charge of the conduct of elections is usually deemed necessary to secure honest results, and when fairly executed in letter and spirit may as a rule be relied on, at least so far as counting and returning the vote is involved. A general and willful disregard by the appointing power either of the letter or spirit of the law raises a strong presumption of an intent on the part of the appointing officers to afford opportunity for fraud. In this case it clearly appears that the State officers in appointing county commissioners intentionally disregarded the spirit of the law, and in some instances violated its letter. In like manner the county commissioners quite generally violated the letter and spirit of the law in appointing precinct inspectors, Republican committees were ignored, their wishes disregarded, and their recommendations rejected.

While the statute does not direct how these appointing bodies shall make selections, its spirit clearly requires that in selecting representatives of the different parties the wishes of those representing the party organization shall be considered, and that the appointees shall be men having the confidence of their political associates. The selection of men to represent a political party on an election board who habitually vote the opposite ticket, who are not trusted in their party, or who are notoriously incompetent, is not a compliance either with the letter or the spirit of the statute. We are glad to note some honorable exceptions to the general rule in this district, in the selection of precinct inspectors, and to commend the effect in producing confidence in the returns from such boards.

In a majority of the precincts, about which evidence was taken, we find that the precinct inspectors appointed to represent the Republi-

cans were either Democrats in fact, or were incompetent and untrustworthy. While suspicion attaches to all such precincts, such suspicion is not sufficient to invalidate the return, in the absence of other evidence, but it does have the effect of requiring less evidence to overturn the prima facie correctness of the returns. In regard to a few of the precincts this evidence is not wanting, while in others there is an entire absence of evidence tending to impeach the validity of the returns. In some instances there is affirmative proof sustaining the correctness of the returns.

In several large Republican precincts no elections were held, and it is manifest that the neglect to hold elections was intentional and for the purpose of depriving contestant of the votes which he otherwise would have received. In one instance the poll books were carried off to prevent the holding of an election. While there is some conflict in the evidence, we are convinced that the whole matter was arranged at a Democratic meeting the night before the election.

In district No. 2, Sharkey County, Hill received 129 votes and Catchings 25. When the returns came in the vote was found to be reversed. All the inspectors of the election testify to the correct returns, and are at a loss to explain how the change took place. The error is conceded. The committee have no doubt that the change was intentionally made by some one connected with the election. In five or six instances United States supervisors were prevented from discharging their duties according to law, either by being refused admission to the polling place, or by being prevented from witnessing the count, or by the removal of the ballot box from their presence.

In every instance where a United States supervisor is prevented from discharging his duties, as provided by statute, the committee hold that such fact destroys the validity of the return and requires its rejection, leaving the parties to prove the vote by other competent evidence.

After allowing such correction of the vote as the evidence requires, and after rejecting all the returns which have been proved to be untrustworthy, and even conceding to contestant such majority as he might have received in the districts where no election was held, there is still left to contestee a good majority.

Previous to the election one J. S. McNeily, chairman of the Democratic Congressional Committee, issued a circular of instructions to the inspectors of elections, in which occurs the following (Record, 193, 194):

Here I had intended closing this paper, when I read a copy of the instructions issued to the Federal supervisors by R. H. Winter, chief supervisor of elections for the southern district of Mississippi. To my utter surprise I discovered that he had, through ignorance, I presume, under cover of "instructions," grossly misled these officials by quoting for their guidance law wholly inapplicable to their office and its functions. The sections of the U. S. Statutes comprised in those instructions, sections 2016, 2017, 2018, 2019, and 2029, are, with the exception of the last, expressly applicable to cities alone of 20,000 inhabitants and over. This production of the chief supervisor embodies the outrageous proposition that the Federal dark-corner appointees shall by authority of a false quotation of law usurp and exercise the lawful duties of the State officials. While it is charitable to allow that Mr. Winter has done this thing in ignorance, there is beyond question a wicked design behind it. Of this I have evidence that it is a part of Jim Hill's contest programme to use it as a means of creating an embroilment between the Federal and the State officials. Knowing that he is beaten at the polls, this is his only purpose. Be this as it may, you will on no account permit your lawful conduct, as defined above, and more particularly in the code of 1880, to be interfered with. The Federal supervisors, you will see to it, shall restrict their acts to section 2029 U. S. Statutes. This section is the law, and the sole law, for their guidance as laid down by U. S. Judge R. A. Hill in his rebuke of a former similar attempt at usurpation. If they do not, if they attempt to interfere with the executive duties imposed upon you by assuming "to personally scrutinize, count, and canvass each ballot" as they are misdirected to do, you will resolutely and promptly hand them over to the proper peace officer on the

charge of unlawful interference. If trouble arises, if any of these Federal appointees have the hardihood to attempt to carry out this illegal direction, the responsibility will rest with Mr. Winter and those who have inspired his most mischievous circular.

I have taken the highest legal advice as to my warrant in issuing this paper. I address it to the Democratic election inspectors, perfectly confident that they will, at all hazards, carry out its lawful substance and meaning. I furthermore appeal to the Democrats, and all good men of the district, to rebuke this effort upon their rights, and to see in it a true reflection of the vile and reckless nature of this contest against them, of the character of the movement to which they are called upon to surrender their largest material interest. Let the full strength of your manhood come forth on election day and inflict upon this nefarious scheme utter and overwhelming defeat.

Mr. Winter has had his attention directed, by telegraph, to the error of his action and the probable consequence thereof if he does not promptly revoke his circular, and that in any event the Democratic skirts may be clear Judge Hill will be asked, by telegraph, to order its revocation. But in any event the course of the State officials is clear.

I hereto append the opinion upon this question, often quoted and uniformly coincided in by legal authorities, of Ex-Attorney-General Catchings.

J. S. McNEILY,
Chairman.

This language is based upon an opinion given by contestee when attorney-general of the State. It assumes that section 2029 of the Revised Statutes alone defines the rights and duties of supervisors of election in counties and parishes, and is in effect a repeal of all of sections 2016, 2017, and 2018 so far as such supervisors are concerned.

This is a mistake; section 2029 in no way changes the duty of the supervisors

To be and remain where the ballot boxes are kept at all times after the polls are opened until every vote cast at such time and place be counted, the canvass of all votes polled wholly completed, and the proper and requisite certificates or returns made.

By section 2029 the power to order arrests is taken from United States supervisors in all places other than in cities of 20,000 inhabitants or upwards, and their duties are limited to witnessing the conduct of the election, the counting and making return of the result. This includes the power and duty to be present at all times and to scrutinize the count and return.

The McNeily instructions spoke of the supervisors as "Federal dark corner appointees" and directed:

If they attempt to interfere with the executive duties imposed upon you by assuming "to personally scrutinize, count, and canvass each ballot." * * * You will resolutely and promptly hand them over to the proper peace officers on the charge of unlawful interference.

This was not only a direction to violate the United States statute, but was in other respects calculated to cause a breach of the peace and prevent an orderly election. Had this advice been generally followed the committee would reject all returns of elections held under such circumstances.

Ex parte affidavits were filed in the case by contestant, which, if considered by the committee, would materially change the result; but the committee find nothing in the record to justify the resort to this kind of proof, and reject all the affidavits as not being legitimately in the record.

After the election and pending the contest General Catchings, the contestee, wrote a letter to Chairman McNeily, in which occurs the following language:

After his (Hill's) time is out we have so many days in which to take testimony, and will have to give him similar notice. *I do not think it would hurt at all if one or two of them should disappear. It might have a very happy effect on Hill, his witnesses, and lawyers.*

General Catchings filed the following written acknowledgment with the committee, submitting the above quotation from his letter:

The following extract from a letter written to J. S. McNeily, chairman Congressional committee, Third Mississippi district, by Hon. T. C. Catchings, contestee, under date December 28, 1888, is admitted as having been written and delivered to J. S. McNeily, chairman Democratic Congressional committee, Third Mississippi district, and is admitted in evidence in this case by agreement.

T. C. CATCHINGS,
JAMES HILL,
Per DUDLEY & THOMAS,
Att'ys for Contestant.

The language speaks for itself. It was a suggestion to hinder unlawfully the taking of testimony in the case. Had the advice been acted upon the committee would have had more difficulty in reaching the conclusion that contestee was elected. But so far as appears in the evidence the suggestions of the letter were not acted upon in any instance, and it is a reasonable conclusion that they were not approved by Chairman McNeily. Such suggestions, coming from a reputable source, but emphasize the truth of the charge that the public sentiment of the dominant race in this district is hostile to the exercise by the colored voter of the rights granted him by the Constitution, and looks with leniency upon crimes against the purity of the ballot box.

As further showing the state of public opinion on this question we quote from the testimony.

Mr. Martin Marshall, a lawyer of character, says on page 306 of the record :

As to whether such rascally tricks would be a preferable, though bad, alternative to avoid misrule and public thievery and the destruction of the material interests of the country, I am not casuist enough to decide; whether a people reduced to that bad alternative are to be condemned for resorting to that sort of defense of their interests, let those who never were reduced to it be bold enough to answer.

Chairman McNeily says, on page 195:

Would the fact that a man had ever stuffed a ballot box cause him to forfeit either his social or business standing?

If he had [been] convicted, sentenced, and punished, yes.

In that case would the ostracism be due to the crime or because he had been fool enough to be caught?

I don't think I would ostracise him.

In a choice between negro rule and ballot-box stuffing which would you choose?

I would do like the old darky preacher, I would take to the woods.

Mr. John Finlay, a druggist of Greenville, says, on page 368:

Do you consider ballot-box stuffing a crime, in view of the peculiar surroundings in the county and the South generally?

No, I don't; I consider it a necessity at times.

In a contest where it was a question of race supremacy rather than one of party politics, would a man who stuffed the ballot box forfeit either his social or business standing?

No, sir; he would not.

Is not ballot-box stuffing looked upon by the best element in the South as the choice between necessary evils?

It is so far as I know.

Matthew F. Johnson, a planter and a member of the Democratic executive committee of the district, says, on page 339:

What is your opinion of ballot box stuffing?

I believe if necessity required it, to protect the property interest of the white people in this county, and if I did it, I don't think it would affect my chances for heaven one particle, and I would stuff a ballot box if required to do it to put a good Republican in office as I would a Democrat, as my object is to have good honest government.

Inasmuch as the committee are of the opinion that after making all legitimate deductions required by the evidence from the majority returned for contestee, he still has a majority of the votes, it is not deemed necessary to review in detail the evidence in regard to the several precincts where frauds were perpetrated sufficient to cause the rejection of the returns.

The committee recommend the adoption of the following resolutions

Resolved, That James Hill was not elected a Representative in the Fifty-first Congress from the Third Congressional district of Mississippi and is not entitled to the seat as such Representative.

Resolved, That T. C. Catchings was elected a Representative in the Fifty-first Congress from the Third Congressional district of Mississippi, and is entitled to retain his seat as such Representative.

VIEWS OF THE MINORITY.

Mr. LACEY submits the following as the views of the minority :

The report of the majority of the committee concedes that the district has a large Republican majority. The majority report further concedes that there were gross frauds, and that when these frauds are eliminated from the count the majority of the contestee would be greatly reduced. I will not recite these frauds fully, as they are for the purpose of this report sufficiently set out in the report of the majority.

It appears, however, that in selecting the officers to hold the election neither the letter nor spirit of the law was complied with, and the Republican party had no fair representation upon the election boards. In some precincts where there was a Republican majority no election was held. The returns showing a majority for Hill were fraudulently reversed, showing a like majority for the Democratic nominee. Federal supervisors were interfered with in the discharge of their duties. In short, there were frauds of various kinds, materially affecting the result, but the evidence does not show enough in detail to change the result and give a majority for the contestant.

Mr. Hill contended that the occurrence of certain political murders and outrages in other localities justified him in not incurring the danger of taking further testimony in his case, and that if the evidence had been fully taken his election would have been clearly shown. That his fears were not groundless is shown by well-known bloody occurrences which have startled the whole country. But I agree with the majority in their conclusion that the contestant has not introduced enough testimony to show that he did in fact receive a majority of the legal votes cast. This, however, leaves for discussion the question as to whether enough has been shown to require that the election should be held void.

I think that the law ought to be held as follows :

Where the friends of a successful candidate, without collusion or combination with such candidate, engage in fraud, bribery, intimidation, or other violations of law to influence the election, and the number of votes affected thereby is insufficient to change the result, the election will not be invalidated thereby ; but if such candidate takes part in such wrongs, or confederates with those engaged therein, and it does not appear that the election has been changed in its results thereby, the election should be held void, and a new election ordered.

The question as to the effect of connivance with or participation in such wrongful acts by a candidate is one in which the law ought to be clearly laid down and unhesitatingly enforced.

I concede that the preponderance of the authorities hold to the effect that such acts upon the part of the contestee will not render the election void unless it appears affirmatively that such unlawful acts changed

the result. The effect of bribery in parliamentary elections has been settled by statute in Great Britain, and renders the election void although the votes affected were insufficient to change the result. The interests of good government and the importance of purity of elections require that the rule should be laid down and enforced against every candidate that he should not participate in or incite any violations of the laws under which the election is held.

Whilst a candidate should not be held accountable for the acts of his partisans, committed in the heat of a political campaign, yet he should be held to instigate or participate in such acts at his peril. He should understand that in case of his instigation of violations of the law or of his participation in such violation he shall not be permitted to hold his seat. A contestant should not be compelled to prove just how many votes were affected by such wrongful acts of the contestee in order to have the election declared void. The full effect of such wrongs may often be hard to prove. The sitting member should have his skirts clear of all participation.

In order to give the seat to the contestant, it should be necessary to prove that the results were changed by the transactions in question, but to unseat the participant a less amount of proof should be sufficient.

A vigorous contest was made in this district, which was naturally a Republican stronghold. The contestant and the contestee took an active interest and participated in the campaign pending the election. It is not probable that any wide-spread and obviously preconcerted violation of the election law, such as is shown, should have occurred against the wishes of the contestee.

But after the election, and while the contest was in progress, it appears that the contestee wrote to the chairman of his party a letter in which appears the following language:

After his (Hill's) time is out we have so many days in which to take testimony, and will have to give him similar notice. I do not think it would hurt at all if one or two of them should disappear. It might have a very happy effect on Hill, his witnesses, and lawyers.

In the light of the deplorable events which have occurred in some parts of Mississippi in connection with elections and election contests, it is unnecessary to discuss the full scope and meaning of this letter. The language is of contestee's own choosing and speaks for itself. General Catchings had a full opportunity to explain this letter before the committee, but wholly failed to avail himself of that opportunity. He argued his own case in person, and when the letter was read to the committee an opportunity was given him to contradict or explain, but he did not see fit to do so.

Does the fact of writing such a letter, under the circumstances, sufficiently connect the contestee with the various frauds described in the majority report? I think it does. Where the recipient of the benefits of such a fraud not only accepts its advantages, but attempts to suppress the testimony of the crime, such attempted suppression, or attempted suppression when unexplained and uncontradicted, ought to be regarded as sufficient to show the contestee's original connection with these various wrongs. The frauds are general and widespread, the party of the contestee were acting in concert, and a just suspicion will always attach to a leader where his followers are so generally guilty of offenses against fair elections. But when such acts are followed by active attempts at suppression of the evidence, such as appears in the letter to McNeily, the inference is irresistible. Taking the letter

of the contestee into consideration, in the light of all the surrounding circumstances, the conclusion follows that the contestee is responsible in some degree for the acts of his party and partisans, as set out in the majority report.

The seat ought, therefore, to be declared vacant and an election stained with so much fraud and corruption ought to be set aside. I recommend the adoption of the following substitute for the resolution reported by the majority:

Resolved, That T. C. Catchings was not elected as Representative in the Fifty-first Congress from the Third Congressional district of Mississippi, and that the seat is hereby declared vacant.

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SILVER POOL INVESTIGATION.

FEBRUARY 25, 1891.—Ordered to be printed and laid over.

Mr. DINGLEY, from the Committee on the Silver Pool, submitted the following

REPORT:

The special committee of the House of Representatives, appointed under the following resolution, to wit—

Whereas on the 1st day of December last the following preamble and resolution was introduced and referred to the Committee on Rules:

Whereas it is alleged in the Washington correspondence of the St. Louis Globe-Democrat, under date of September 20 last, that twelve Senators and fifteen Representatives, pending the passage of an act entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," approved July 14, 1890, were admitted to partnership in various silver "pools" by which they realized \$1,000,000 profits in the advance of the price of silver after the passage of the said act, Therefore:

Resolved, That the Speaker appoint a special committee of five members of the House, and that said committee be instructed to inquire into all the facts and circumstances connected with silver pools in which Senators and Representatives were alleged to be interested; also with the said alleged purchase and sale of silver prior to and since the passage of the act of July 14, 1890, including the names of persons selling the same; and also who are the owners of the 12 millions of silver bullion which the United States is now asked to purchase; and for such purposes it shall have power to send for persons and papers and administer oaths, and shall also have the right to report at any time. The expenses of said inquiry shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of said committee, to be made immediately available—

having attended to the duty assigned them, beg leave to report:

The committee met January 16, 1891, the day following their appointment, and entered upon this investigation by examining W. B. Stevens, the Washington correspondent of the St. Louis Globe-Democrat, in which paper was published the Washington dispatch of September 20, 1890, reciting certain charges against Senators and Representatives which were made the basis of the resolution directing the investigation.

This dispatch, on the authority of an unnamed alleged "worker for silver legislation," charged that, during the first session of the present Congress, and while the various propositions for silver legislation which resulted in the passage of the act approved July 14, 1890, were under consideration in committee and in the two Houses of Congress, various pools, syndicates, or organizations of speculators were formed and made large investments in the purchase of silver, with a view of profiting by an advance in silver, which was looked for in case there should be favorable silver legislation; that these pools worked together to bring about such legislation, and in order to secure the votes and influence of Senators and Representatives to carry it through, admitted 12

Senators and 15 Representatives; that in order to enlist "impecunious Congressmen" the pools put up \$250,000 to carry silver for several Senators, Representatives, and Government officials who had not the money to invest, with the understanding that these Senators and Representatives should receive the profits of the "deal" without being subject in any event to loss, which tender was accepted by some and declined by others; and that the profits of these pools in consequence of silver legislation thus promoted were about \$8,000,000, of which \$1,000,000 went to such Senators and Representatives as had become interested in the pools.

The dispatch went on to give details, stating, among other things, that one Western Senator had cleared \$275,000 by investment in such silver pools; that the lowest amount made by any one of the 27 Senators and Representatives who were interested in such pools was \$2,000, which sum, it was stated, went into the pockets of a Missouri Representative who had his interest carried by the pool; that a New York Representative made a "barrel-full;" and that two Californians, two of the Illinois delegation, one Kansas man, and two Iowa members were interested. No names of Senators or Representatives were given in the dispatch.

Mr. Stevens, the correspondent of the St. Louis Globe-Democrat, testified that he was the author of the dispatch to that paper containing these charges and statements, but that he personally had no knowledge respecting the alleged silver pools, or that any Senator or Representative was interested in them, as he had received all these charges and statements from one J. A. Ownbey, and had published them entirely on the authority of said Ownbey, who had mentioned the names of many Senators and Representatives, as well as other persons, to whom he referred in the published charges, which names had been suppressed in the dispatch.

The committee immediately directed the Sergeant-at-Arms to subpoena the said J. A. Ownbey to testify relative to these charges. That officer promptly took measures to discover Ownbey's whereabouts, and after several days ascertained that he was in Chicago, through a published interview of a reporter with him, in which he professed entire readiness to substantiate his charges. The Sergeant-at-Arms at once telegraphed Ownbey at the hotel where it was ascertained he was stopping, and, receiving no reply (notwithstanding the Chicago operator reported that the telegram had been delivered), repeated the message.

Then came a telegraphic reply from the proprietor of the hotel—which reply Ownbey subsequently admitted before the committee was sent by his own request—saying that Ownbey had left for Detroit or Toronto, whereas, as the Sergeant-at-Arms soon learned, he had gone only a short distance from Chicago, and after a day's absence had returned to the city and taken rooms in a flat under the assumed name of Williams.

Having become convinced that Ownbey was endeavoring to avoid appearing before the committee, the Sergeant-at-Arms, by direction of the committee, sent a special deputy to Chicago to personally serve the subpoena, which service was accomplished notwithstanding the obvious efforts of the witness to keep out of the way. But even then Ownbey paid no attention to the subpoena, although he daily found time to inform the newspaper reporters that he was loaded with facts bearing on the subject of investigation. It was not until he had been arrested on a warrant issued by the Speaker under the order of the House, and been brought to the National Capitol by the Deputy Sergeant-at-Arms, that Ownbey's attendance was secured.

The committee carefully examined Ownbey, who testified that he communicated to Stevens, the correspondent of the St. Louis Globe-Democrat, substantially the charges and statements published in that paper. Ownbey further testified that he had no personal knowledge of the truth of any of these charges and statements connecting Senators, Representatives, or officials with silver pools or silver purchases, but that all his information relative to them was given him by David T. Littler, of Illinois, J. L. Cunningham, of New York, and James M. Donald, cashier of Hanover National Bank, of New York City—mainly by the latter.

Ownbey desired to give the names of Senators and Representatives who, he claimed, were mentioned to him by Littler, Cunningham, and Donald as interested in silver speculations; but the committee were unanimously of opinion that as such testimony would be hearsay it should not be received, especially as the persons whom Ownbey had given as his authority for the names could be obtained to testify. The committee were strengthened in this conclusion by the impression made by the contradictory testimony of the witness while under examination, and the false telegram which he caused to be sent to the Sergeant-at-Arms, as well as by other developments of his true character, that no reliance could be placed on his statements.

The three gentlemen whom Ownbey had given as his authority for the names of Senators, Representatives, and officials interested in silver speculations were then called before the committee—Mr. Donald, on reading the report of Ownbey's testimony, voluntarily returning from New Orleans, where he was spending a short time for the benefit of his health. All testified that they had never given Ownbey such information as he had represented, or any information beyond what they had testified to; and that they had no knowledge or even information of silver speculations (except that testified to by Littler) aside from the reports in the newspapers.

The conduct of Ownbey after he was discharged strengthened the conviction of the committee that his statements are not entitled to any weight. Wherever he went he appeared before the public in a newspaper interview, in which he represented that he was in possession of abundant papers and facts to substantiate his charges, which the committee would not receive. His story grew day by day, until, when he reached Chicago on his return, he had the effrontery to proclaim through the press that he had offered in evidence a certain cipher and certain telegrams from Donald which showed that the latter was an agent of Congressional speculators in silver, but that the committee refused to receive them; when the fact was that these were offered and received and Ownbey questioned concerning them. Indeed everything that Ownbey desired to offer in evidence was received by the committee, except his hearsay statement as to the names of Senators and Representatives.

Ownbey was also asked before he left the witness stand if he had any knowledge, papers, or information bearing on the subject of investigation in addition to what he had communicated to the committee, and he testified under oath that he had not. Yet in this interview on his return to Chicago he not only declares that he has important evidence which he has not presented as yet, but goes on to assert that "within an hour after his arrival in Washington a Nebraska member came to him and offered him \$2,500 if he would forget what he knew when he should come to testify."

The fact is that Ownbey was under the surveillance of the Sergeant-

at-Arms, or his deputy, or surrounded by many persons from the time he reached Washington till he testified before the committee, and no one could have had such a conversation with him as he alleges without attracting attention. Further, the only Nebraska member who ever saw Ownbey, except for the few minutes at the bar of the House, came before the committee at its first meeting after Ownbey's statement became known to him and stated under oath that so far as he was concerned the charge was a pure invention.

The committee carefully examined Cashier Donald (as well as Ownbey) as to the cipher and telegrams which Ownbey publishes, and alleges in his interview on his return to Chicago that he was not allowed to present in evidence, and also as to a letter sent by Donald to Ownbey, which the latter omits to publish for the reason that it would clearly show the real nature of their relations, and were fully satisfied that Ownbey's explanation of the meaning of these papers is unwarranted; but that Donald's explanation that he employed Ownbey to furnish him and his bank early information of the probability of the passage of those provisions of the silver bill relating to the character of the Treasury notes to be issued, and to the disposition of the fund held by the Treasury for the redemption of the notes of national banks in liquidation, etc. (which information Ownbey falsely professed to be able to obtain earlier than the Washington correspondents), is entirely consistent with the telegrams and note and the known situation of legislation at that time.

Ownbey's statements respecting the amount paid him for this alleged "information" is disproved, and Donald's statements corroborated by Cashier Bradley, of the National Bank of the Republic of Washington, through whose bank the checks passed. The story which Ownbey told with reference to seeing a letter from a Senator in Donald's office relating to silver speculations proves to relate to a letter from a Senator in reply to one addressed to him by Donald answering an inquiry as to the prospects of the provisions of the silver bill referred to.

In short, wherever Ownbey has testified to any alleged fact, or mentioned in his evidence the name of any person to support his charges and statements respecting silver speculations by Senators or Representatives, beyond what others have testified to, he has been contradicted by the persons referred to, and by an investigation of the facts. Indeed, every Senator and Representative that Ownbey desired to give as interested in silver speculations, whose name has been made public, has at once come before the committee and contradicted the charge. Beyond this, many witnesses who have known him for years have testified that Ownbey's reputation for truth and veracity is so poor that those who are best acquainted with him are astonished that any one should have regarded his stories as worthy of a moment's consideration, so far as they rest on his testimony alone.

Dismissing, therefore, the story of Ownbey as the product of a "romancer" whose imagination is not restrained by the limitations of truth, an indispensable qualification of a small class of hangers-on about the National Capitol who mysteriously profess to have intimate relations and great influence with Senators and Representatives with whom they have hardly a speaking acquaintance, and who falsely claim to have inside information of the prospects of legislation not obtainable by reporters of reputable newspapers, which influence and information they try to induce the simple to pay for, your committee have followed up every clew which has been brought to their attention for the purpose of ascertaining the truth in relation to the subject of investigation.

Prior to the examination of Ownbey the testimony of Senators Vest and Cameron and Mr. Littler brought out the fact that the latter had purchased silver for Senator Cameron, pending the silver legislation of the last session, and had sold it by the Senator's order before the silver bill passed. Subsequently Representative Abner Taylor, of Illinois, appeared before the committee and testified that he bought silver after the silver bill became a law, and when no additional silver legislation was proposed or expected, and had sold it in August last.

E. N. Hill and J. A. George, of Washington, having testified that J. W. Heddenberg, of Chicago, requested them to sell silver-bullion certificates to members of Congress, Heddenberg was subpoenaed; but the latter under oath denied that he ever made such a request, and testified that he never sold nor offered to sell silver bullion or silver certificates representing bullion to any Senator or Representative. Several witnesses testified that Heddenberg's reputation for truth and veracity is good.

Several brokers and bankers who are understood to deal in silver bullion were subpoenaed, but all testified that they had no knowledge or information that any Senator, Representative, or Government official, beyond what has been stated, had ever bought or been interested in silver purchases, or that any silver pool had existed.

R. D. Bogart, the Washington correspondent of the Chicago Evening Post, who had sent a dispatch to that paper in which it was stated that a Representative, whose name was given, was "openly charged with the purchase of a whole lot of ounces of silver," and that he was said to be "a nervous fish in the alleged big pool," was subpoenaed and testified that he had no knowledge or information of this, but that this insinuation against members of Congress, whose names he mentioned—an insinuation calculated to injure their standing—which he had sent his paper, "was merely voicing a little spirit of pleasantry and fun going around the gallery."

The correspondent thought that a Mr. Curtis had told him this story; but Curtis, who was subpoenaed, denied that he had ever given this correspondent such information, and testified that he had no such knowledge. Subsequently the Representative named in the dispatch appeared before the committee and testified that he never bought any silver, and never had any direct or indirect interest in silver purchases.

O'Brien Moore, the Washington correspondent of the St. Louis Republic, who had sent a dispatch to that paper mentioning the name of three Representatives as connected by rumor with silver speculations, was examined by the committee, and testified that he had no personal knowledge of this, nor any information from anyone whose name he could give, unless it was Mr. Stevens, the correspondent of the St. Louis Globe-Democrat, that any Senator or Representative (except the two who had testified to purchases of silver) had been concerned in silver purchases. Subsequently the three Representatives whose names had been published in the dispatch of this correspondent appeared before the committee, and testified that they had never had any direct or indirect interest in silver speculations.

It is understood that all these names were among those which Ownbey desired to give the committee.

The slight foundation on which some Washington correspondents send out through the papers which they represent charges and insinuations against public men, in order to make their dispatches "breezy" and "amusing," is well illustrated by the testimony of Mr. Bogart, the correspondent of the Chicago Evening Post. Having sent a dispatch

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to his paper insinuating that a Senator was interested in silver speculation, and "that perhaps he would not object to letting the investigation drop," he admitted that he had no such knowledge or even information whose source he could give, but that his sole foundation for the statement was some indefinite "whispering" in the gallery that "perhaps Senator ——— would just as well not have an investigation."

And having charged in his dispatch that a Representative "was another nervous fish in the silver pool," who had bought a whole lot of ounces of silver at 97, the correspondent also admitted that he "threw this out" as a "pleasant insinuation" simply because he understood this Representative was a speculator, and that he had no knowledge or information on which to base the charge beyond indefinite rumor that could be traced to no one. When asked if he did not think that the public in reading such dispatches as that he sent out would get the idea that the public men whose names he made such insinuations against had been guilty of corrupt conduct, he replied:

I do not think they would the way newspapers are made in these days. Newspapers are written these days more to amuse and interest than they are to seriously impress the public.

And, when asked if he thought it right to thus besmirch a public man's reputation without any ground for it in order to make a newspaper entertaining, the correspondent replied:

Well, we must make our newspaper readable or leave the gallery.

While your committee can but condemn the reckless methods of such correspondents, and express surprise that any reputable newspaper should be willing to encourage such disreputable journalism, yet it is but just to say that the Washington correspondents of those newspapers which stand the highest and exert the healthiest influence on public sentiment repudiate this reckless and sensational style of inventing as well as serving up "news," which, under the guise of making a newspaper readable, catches up and magnifies indefinite, untruthful evil gossip, especially about public men, usually originated by fellows whose reputation ought to discredit their gossip at the start, and, without any inquiry as to its truthfulness, gleefully sends it out on the wings of the lightning to smirch reputations and educate the public to believe—contrary to the fact—that honor and integrity are the exceptions, and baseness and corruption the rule among members of Congress and other public men.

Your committee feel constrained to condemn the act of any newspaper correspondent in publishing any statement assailing the integrity of members of Congress in their official conduct upon the authority of irresponsible persons, or upon the authority of any person not known by the correspondents to be reliable and trustworthy.

It is but just to say that a statement made by the Hon. E. H. Conger in debate in the House on the 24th of June, 1890, to the effect that he had been "approached to join silver pools," furnished some excuse for the publication of the general allegation that silver pools existed pending the silver legislation of July of that year, but none for the charge that certain Senators and Representatives had accepted invitations to join them. Mr. Conger, who is now the United States minister to Brazil, and therefore beyond our jurisdiction, was requested by cable to transmit to the committee the names of persons who had approached him in order that they might be subpoenaed; but he declined so to do.

The fact that the exaggerated expressions sometimes made by a member in the heat of debate in order to further or defeat a measure may

furnish an excuse for, if not suggest, such dispatches, afford an additional reason for a careful avoidance in debate of insinuations that corrupt influences are being brought to bear upon members to affect legislation, unless the member making such insinuations is prepared to substantiate the charge. It is well understood that a good measure is seriously weakened by even a suspicion that improper means are being employed to advance it.

Your committee have been unable to obtain any evidence to support Ownbey's original charge that there was a silver "pool," or organization of silver speculators, who had made large purchases of silver bullion, and was exerting its combined influence to bring about silver legislation which would cause an advance of silver, and thereby bring large profits to the manipulators.

There were many speculators buying silver individually, and probably in some cases in company, for an anticipated rise through expected legislation, and undoubtedly exerting more or less influence on public sentiment to bring about such legislation; but there is no evidence that there was any "pool" or combination of such speculators working together to this end, or that any Senator or Representative was connected with such a pool. The only organization or combined effort to induce silver legislation disclosed by the evidence was the public organization known as the silver committee, appointed by the St. Louis silver convention, which has had its headquarters at Washington during the past year.

This committee, according to the testimony of Mr. Francis G. Newlands, of Nevada, one of its members, has printed and distributed hundreds of thousands of pamphlets and circulars, published articles in newspapers, and maintained agents in the field to visit organizations, particularly farmers' alliances, in various parts of the country for the purpose of working up and securing the expression of a public sentiment in favor of free coinage of silver at a ratio of 16 to 1 of gold, at an expense, including the salary of a secretary, of not less than \$10,000 nor more than \$15,000 during the past year, which expense has been met by voluntary contributions of owners of silver mines and bullion and others favoring such legislation.

There was no evidence, and the committee has no reason to believe that this committee, which Ownbey described as the head silver pool, had any connection with silver speculations, or expended any money otherwise than for the purpose above stated. The organization appears to be similar in character to many other organizations designed to influence public opinion to secure legislation.

There is no evidence that any pool, combination, syndicate, or individual speculator or speculators furnished money to enable members of Congress to invest in silver, or carried silver with the understanding that such members of Congress were to have the profits, or that any Senator or Representative was interested in any silver pool or syndicate, as charged by Ownbey; nor any evidence that any Senator, Representative or Government official individually invested in silver bullion, or was directly or indirectly interested in silver speculations pending the silver legislation of the first session of the present Congress, except that referring to Senator Cameron.

The evidence shows that one Representative purchased silver after the silver act of July 14, 1890, was passed, and when no silver legislation was pending or proposed, and sold it in August. There is no evidence that any Representative is now, or has been during the present session of Congress, directly or indirectly interested in silver bullion or certificates representing silver bullion.

The most reliable estimate of the stock of silver bullion on hand in the United States, January 1, 1891, which your committee have been able to obtain, is that contained in the statement of the Director of the Mint, herewith submitted. This official estimates that the stock at that date was about 12,439,625 fine ounces, of which 6,939,625 ounces were held in trust by the Mercantile Safe Deposit Company of New York, for which this company has issued certificates in the nature of warehouse receipts, assignable in blank, and sold like stocks and bonds outright or on a margin—thus making it impossible to ascertain the present ownership. Much of this stock was imported when silver bullion so sharply advanced under the manipulation of speculators after the passage of the act of July 14, 1890, and is left in the hands of purchasers who are holding it in the hope of an advance.

Your committee submit herewith the evidence taken during the investigation.

NELSON DINGLEY, JR.
S. E. PAYNE.
J. H. ROWELL.
S. W. PEEL.
WM. C. OATES.

SILVER POOL.

ROOM COMMITTEE ON RIVERS AND HARBORS,
January 16, 1891.

The select committee appointed to inquire into the facts and circumstances of an alleged silver pool this day met at 10 a. m., Hon. Nelson Dingley, jr., in the chair.

The CHAIRMAN. As the committee has no clerk the stenographer will for the present act as clerk and read the resolution under which we act.

The resolution was read as follows :

Whereas on the 1st day of December last the following preamble and resolution was introduced and referred to the Committee on Rules:

Whereas it is alleged in the Washington correspondence of the St. Louis Globe-Democrat, under date of September 20 last, that twelve Senators and fifteen Representatives, pending the passage of an act entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," approved July 14, 1890, were admitted to partnership in various silver "pools" by which they realized \$1,000,000 profits in the advance of the price of silver after the passage of the said act: Therefore,

Resolved, That the Speaker appoint a special committee of five members of the House, and that said committee be instructed to inquire into all the facts and circumstances connected with silver pools in which Senators and Representatives were alleged to be interested; also with the said alleged purchase and sale of silver prior to and since the passage of the act of July 14, 1890, including the names of persons selling the same; and also who are the owners of the 12 millions of silver bullion which the United States is now asked to purchase; and for such purposes it shall have power to send for persons and papers and administer oaths, and shall also have the right to report at any time. The expenses of said inquiry shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of said committee, to be made immediately available.

The CHAIRMAN. The stenographer will now read the names of the members appointed.

The stenographer read as follows :

JANUARY, 15, 1891.

The Speaker announced the appointment of Mr. Dingley of Maine, Mr. Payne of New York, Mr. Rowell of Illinois, Mr. Peel of Arkansas, and Mr. Oates of Alabama, as members of the Committee on the Investigation of the Silver Pool.

All the members were present.

The CHAIRMAN. In Tuesday's Record appears the letter on which is based the resolution of inquiry, to wit, the correspondence published in the St. Louis Globe-Democrat, and also the evidence taken before the Committee on Rules to establish a *prima facie* case to justify an investigation. I will read the letter on which this investigation is based.

The letter is as follows :

A million in the clean-up—The profits divided by speculative Congressmen from the rise of silver—Forty million ounces pooled—One eighth of it carried for Senators and Representatives—How the sure-thing investment was managed.

[Special correspondence of the Globe-Democrat.]

WASHINGTON, D. C., September 20.

The rise of silver has put into the pockets of Senators and Representatives of this Congress \$1,000,000. One of the most active workers for silver legislation makes this statement, and he gives names and figures. The largest amount of individual profit is \$275,000. That goes to the credit of a Western Senator. The smallest amount is \$2,000, which will help out the campaign expenses of a Western Representative who finds it hard work to make both ends meet on his salary. Twelve Senators and fifteen Representatives participate in this handsome clean-up of a sure-thing speculation.

"I tell you it is 'pie,'" said the worker, who is himself ahead enough to make him feel comfortable about the immediate future. "We were figuring up in New York the other day the extent of the deal and the profits on it. We found that before the silver bill became law the amount of silver taken in by the various pools for the expected rise was 40,000,000 ounces. That is our entire product for 8 months, you know. Just think of it!"

"What have the profits been?"

"The pool I am in bought some at a little less than 95. The rest cost us something more than 95. The average for the whole was about 97. August Belmont and his friends got in at from 95 to 98. Silver has been as high as 120. It is now 117. I think 20 cents an ounce is a fair estimate of the profits of the pools to this time. Twenty cents an ounce on 40,000,000 ounces is \$8,000,000. Well, that represents the profits made by the New York and Washington pools on the advance of silver."

"Do you know how the 40,000,000 ounces were divided?"

"I have a pretty good idea. The August Belmont pool got hold of 8,000,000 ounces. I don't think any of it cost over 100 and most of it was got below 98. Woodward and J. M. Donnell, of the Hanover National Bank, H. V. Parsons, of the Wells-Fargo Express Company, F. B. Olcott, president of the Central Trust Company, and their associates took in 6,000,000 ounces. The Seligman Brothers' pool had from 4,000,000 to 5,000,000 ounces. Hutchins, the vice-president of the Third National, of New York, was at the head of a small syndicate which bought 1,000,000 ounces. The Fourth National Bank held 4,500,000 ounces. Simons & Co. got 3,000,000 ounces. Those were the principal pools made up in New York.

"The largest pool of all, probably, was one which took in seven United States Senators and a number of New York capitalists. That pool had 9,000,000 ounces. The other holdings were small, but altogether they made up 4,000,000 ounces bought and held for the rise, which we knew was as sure as sunrise if Congress passed a favorable silver bill."

"Was any money spent in Washington to influence legislation?"

"Not in the way of buying votes. We had men under employment to watch things and give the latest information. Then we worked up sentiment. Something was spent in publishing articles in the newspapers. Several good silver men were kept here under salaries to talk and to represent the strong silver feeling in the West."

"There was a lobby fund but not a corruption fund?"

"That is about it. No Senator or Representative was offered as much as a dollar to vote for a silver bill. Some of them were shown how they could make a little money by speculating on the rise of silver which was sure to follow the passage of a favorable bill. They were approached through friends who were in the pools. These friends offered to let them into a good thing. Several Senators and Representatives put in their money and took a few thousand ounces apiece. There were others who hadn't the money to speculate with. It was arranged that the impecunious should have certain amounts carried for them by the pools. If silver went up they were to have the profits. If it didn't go up they were to get nothing. About \$250,000 was put up to get the silver which was bought and carried for those Senators and Representatives who didn't invest their own money. Of course this \$250,000 was not spent or lost. Those who raised it got it all back, less interest and commissions. The Senators and Representatives for whom the silver was bought got the profits."

"Did any of those approached by friends to go into the speculation refuse?"

"Yes; Senator Cullom, for one, declined to allow any of the silver to be carried for him. Senator Teller was another who wouldn't touch it."

"How about the House?"

"Well, Joe Cannon didn't get any. Grosvenor, of Ohio, was left out, too. You see the proposition wasn't made indiscriminately. The silver men picked out a few fellows who would be useful, or to whom they wanted to do a good turn, and let them in on the ground floor. The silver speculation has been handled mighty well, I tell you. The men who were in it were close-mouthed. They didn't go around scattering money or pointers, either. I'll give you a little story to illustrate this: A certain Senator went over to New York while the silver bill was pending. He drew \$200,000 through Wells-Fargo to carry his silver. That night Ed Stokes went up to the Senator's room at the Hoffman House and asked him what he thought of the prospect of favorable silver legislation, and whether silver was a good thing to buy at the market price. The Senator replied: 'It's dangerous, Ed.'"

"Has most of the 40,000,000 ounces been unloaded by the pools?"

"Only 50 per cent of it. Some of the holders have been letting go gradually. A good deal is tied up by agreements not to sell until the price reaches 126. Some of the contracts prevent any selling until November or December. The pools are so well organized that there is no danger of overselling and breaking down the price. The profit, as the investment stands to-day, is 20 cents an ounce, or \$8,000,000. It will be better than that for some of the pools when they settle."

"You think silver is going higher?"

"It will go to 128 or 126 by March next. There isn't any doubt of that, for the men who are in the pools are shrewd financiers with plenty of capital behind them. The advance was steady until 120 was reached. Then the tightness of the money market came on and some of the holders had to have means. They unloaded enough to drop the price to 117, but you will see silver begin to climb again just as soon as the stringency is passed."

"Was there any Missouri Representative on the list for whom silver was carried by the pool?"

"Yes; one. I think they carried 10,000 ounces for him. That would give him a profit of \$2,000."

"Was he a Democrat or a Republican?"

"A Democrat. One of the Republican members, I understand, was told of what he could have done for him, but he wouldn't touch it. I don't know of but one Missouri Representative who was on the list of those carried. Representative ———, of New York, I expect made more than any other member of the House on the deal. He got a barrel full out of it. Then there were two Californians, two of the Illinois delegation, one Kansas man, and two Iowa members that I remember now on the House list. I think that there were not more than fifteen Representatives who were taken in."

"Republicans or Democrats?"

"Oh, Republicans, mostly, of course. What did we want with the d—d fool Democrats? They were bound to vote for what we wanted anyway. There were one Southern and three Western Democrats among the Senators who had silver carried for them. Altogether there were twelve Senators I know of who made good stakes out of the rise of silver."

"Did the pool take in any officials in Washington outside of Congress?"

"I heard that two or three subordinate officials in the Treasury Department were carried for the information they could furnish. There is a man here from Springfield, Ill., named Littler, who got in some how. He learned of what was going on and got some silver at about 104. But he didn't hold on long enough. When it got up to 107 or 108 he let go. He wasn't hoggish. A man named Tracy, from Springfield, Ill., was in, too, for a small amount. The ex-treasurer of Illinois, I think his name is Andrews, had about 8,000 or 10,000 ounces. I think perhaps they were all in with Littler. But they were among the little fellows who were let in at the tail end."

The CHAIRMAN. The resolution in its original form, as introduced by Mr. Dockery, was referred to the Committee on Rules, and the Committee on Rules called before them, according to the evidence which is published in Tuesday morning's Record, Messrs. W. B. Stevens and George H. Apperson, who are the Globe-Democrat reporters in Washington, and plied them with a great variety of questions relating to this correspondence, and they refused to answer any of the questions, the excuse being given that they preferred the information should be obtained from some other source, and that the Committee on Rules could find information enough without calling upon them; in general, they gave no information to the committee beyond what appeared in the publication itself.

The question of summoning these two witnesses was fully discussed by the committee.

The CHAIRMAN. Then, if there is no objection, it will be ordered that the two correspondents in question be subpoenaed to appear at the next session of the committee; if not called by the chairman to-day the meeting will be at 10 A. M. to-morrow. There is another thing. The committee should ask permission of the House to sit during its sessions.

Mr. OATES. And in such places as it sees fit, either as a whole committee or a subcommittee.

The chairman was instructed to introduce a resolution to that effect.

Mr. OATES. And incorporate in it a provision for a clerk, if one be found necessary.

The CHAIRMAN. I have a letter directed to me from Senator Vest, as follows:

SENATE CHAMBER, *January 15, 1891.*

My DEAR SIR: I am informed that you are chairman of the committee appointed in the House of Representatives to investigate certain alleged transactions in the purchase of silver by Senators and Representatives.

As my name has been injuriously mentioned by a New York paper in connection with this matter, I have the honor to request that your committee will be kind enough to fix a time, as early in date as possible, when I can appear and testify under oath.

I shall await your reply, and am very truly, etc.,

G. G. VEST.

Hon. NELSON DINGLEY, Jr.

The CHAIRMAN. I presume there is no objection to according Senator Vest a hearing.

(The chairman subsequently reported that he had notified Senator Vest that the committee would be pleased to hear him at 10 A. M. Saturday, or at any time to suit his convenience.

The committee decided that the sessions of the committee should be open to reporters.)

The CHAIRMAN. There is also a statement which Mr. Conger made on the 24th of June last in the House, in which he stated that lobbyists had approached him with offers to enter silver pools. I do not know but what that had better be incorporated in the record. It was introduced in Mr. Dockery's statement to the House.

Mr. OATES. In regard to that, I move that the chairman telegraph to Mr. Conger asking for the names of the persons who so approached him.

The CHAIRMAN. Without objection it will be so ordered.

Thereupon the committee adjourned to meet at 10 A. M. Saturday, January 17, if not called by the chairman before that time.

SECOND DAY.

COMMITTEE ROOM, RIVERS AND HARBORS,
Saturday, January 17, 1891.

The select committee appointed to investigate certain alleged silver pools, etc., this day met at 10 A. M., Hon. Nelson Dingley, jr., in the chair.

Present, the Chairman, Mr. Payne, Mr. Rowell, Mr. Peel, and Mr. Oates.

The chairman handed the stenographer the following resolution for insertion in the record :

CONGRESS OF THE UNITED STATES,
IN THE HOUSE OF REPRESENTATIVES,
January 16, 1891.

Resolved, That the special committee to investigate alleged silver pools be authorized to sit during the sessions of the House and to pursue their investigation either by the entire committee or subcommittee at any place outside of Washington, as well as at the Capitol, in case they regard it desirable to further the object of the investigation, and also to employ a clerk, if deemed necessary, at the same per diem compensation as session clerks, to be paid out of the contingent fund of the House.

The CHAIRMAN. Mr. Stevens and Mr. Apperson, correspondents of the St. Louis Globe-Democrat, are present in reponse to the summons of the committee.

TESTIMONY OF WALTER B. STEVENS.

WALTER B. STEVENS sworn and examined.

By the CHAIRMAN :

Q. What is your full name ?—A. Walter B. Stevens.

Q. What is your residence ?—A. I believe St. Louis would be my legal residence.

Q. At the present you are in the city of Washington ?—A. Yes, sir.

Q. What is your occupation ?—A. I am a newspaper correspondent.

Q. For what paper are you correspondent ?—A. The St. Louis Globe-Democrat.

Q. You have charge of that bureau at Washington ?—A. Yes, sir.

Q. I have passed you an article appearing in the St. Louis Globe-Democrat and ask you to look at it. Do you recognize that as the correspondence which appeared in the St. Louis Globe-Democrat ?—A. Yes, sir.

Q. Under date of September 20 ?—A. Yes, sir; I have not, however, read the article through.

Q. But you recognize, as far as you have examined, that this is the article which appears in the Record, page 1266 ?—A. Yes, sir.

By Mr. ROWELL :

Q. Mr. Stevens, I understand you to say you are correspondent of the St. Louis Globe-Democrat and have charge of that bureau here ?—A. Yes, sir.

Q. Will you state whether this article to which your attention has been directed was prepared in whole or in part by you ?—A. Yes, sir.

Q. In the article is the following statement: "One of the most active workers for silver legislation makes this statement and he gives names and figures. The largest amount of individual profit is \$275,000." I will get you to state whether anyone in your presence made the statement in substance as contained in the extract I have read.—A. Yes, sir.

Q. State whether the article contains the substance of statements made to you or in your presence, where it purports to represent the statement of another party.—A. It does.

Q. Will you give the committee the name of the party making such a statement ?—A. Yes, sir.

Q. Please give us the name.—A. This is an interview with Mr. Owenby.

Q. Can you give us his given name ?—A. I think his initials are J. A.

Q. You may state where Mr. Owenby lives, if you know.—A. I do not know exactly where he lives.

Q. Where was he at the time of this interview?—A. In Washington.

Q. Do you know what business Mr. Owenby is engaged in?—A. Yes, sir; I think I do.

Q. Please state it?—A. I think he is managing or superintending a silver mine.

Q. In what State or in what Territory?—A. In Colorado or Utah, I think. I have that from his statement; that is all.

Q. Have you seen Mr. Owenby recently?—A. Yes, sir.

Q. Is he now in Washington?—A. I think not.

Q. Can you give us his address?—A. No, sir; I can not give you his address, to be exact about it.

Q. I will ask you if you have any personal knowledge of any Senator or any member of the House of Representatives being engaged in a silver pool at the time of the pendency of the silver bill before the two Houses or subsequent thereto, of your own personal knowledge.—A. I do not think I have. Perhaps if you tell me what you mean by personal knowledge—

Q. If you have heard any member make any statement with regard to a personal connection, that would be proper evidence to be given against that man.—A. His own connection?

Q. Yes; his own connection.—A. I do not think I have heard any member state he had a personal connection.

Q. Have you been present while negotiations of any kind were being carried on for the purchase of silver in which members or Senators were engaged?—A. No, sir.

Q. I will now come back to the statement of Mr. Owenby. Will you give to the committee, as near as you can recollect, the interview with Mr. Owenby, giving his statement.

Mr. BAYNE. I suggest if he named any members of the House or Senators, the names ought not to be given as hearsay.

Mr. ROWELL. I am not asking him to repeat the names, but to give us the statement, as near as he can, as evidence against Mr. Owenby.

The WITNESS. This article is a pretty close interview, except that he used names, and of course I had to change it and leave out the names.

Q. Was the article submitted to him after it was written or prepared from memoranda and recollection of what he had given to you?—A. No, sir; it was not submitted to him.

Q. Do I understand you to say that your personal knowledge goes to the extent of this interview and no further with reference to remembering?—A. In the way you define personal knowledge.

Q. You may state whether you have any personal knowledge of others than members of Congress being engaged in a silver pool pending this legislation?—A. That would be as to statements made by others to me.

Q. Statements made by others to you as to their personal connection?—A. When you say silver pool, do you mean silver speculation; any silver speculation?

Q. Yes, sir.—A. Yes, sir; I have some little information of that kind.

Q. Give such information as you have to the committee.—A. I had a conversation with Col. Joseph K. Rickey about a silver speculation.

Q. Of what place?—A. Fulton, Calloway County, Mo.

Q. Give us his statement.—A. You wish simply the substance of what he stated?

Q. Yes, sir.—A. He said he had bought some silver while this legis

lation was pending and made some money on it. It was quite a long conversation——

Q. Did he state whether he had bought in connection with others or as an individual speculation?—A. I do not know that he stated exactly as to that.

Q. Do you know whether Mr. Rickey was in Washington pending the legislation?—A. I think he was.

Q. Do you know whether he was connected in any way with any lobbying for such legislation or urging it upon parties?—A. Well, I only know from his conversation with me.

Q. We would like to have these conversations.—A. I met him here in the corridor a few days ago. I heard he had made some money out of silver and stopped him to ask him about it, but before I got a chance he started with some other matter relating to this silver investigation and after he got through with that I asked him if he had not made some money out a silver speculation and he said he had, but not nearly as much as he had been credited with making. I asked him how much he made and he said he only had 75,000 ounces and that he let it go too soon. He told me what he bought it at, and I think it was about 104 or 105, and that he let it go when it got up to 110.

Q. The point I am reaching is whether he told you about what he was doing in the way of furthering such legislation or what he had been doing.—A. Well, I do not think he told me anything about furthering legislation at that time.

Q. Do you know of your own knowledge he was what is ordinarily called a "lobbyist"?—A. He seems to have a good deal of business about the Capitol, but I do not know what it is, exactly.

Q. Do you know what his business is at home?—A. He is a banker.

Q. Is he here in Washington now?—A. He was here a few days ago.

Q. Do you know whether he is connected with what is called the silver committee; the committee appointed by the silver convention?—A. I do not remember as to that.

Q. After Mr. Rickey have any other persons made any statement to you in regard to it.—A. Exclusive of Mr. Owenby?

Q. Yes, sir.—A. I do not now recall anyone stating to me he has made money out of silver speculation.

Q. I notice in this article a reference to a Mr. Littler. Are you acquainted with him?—A. I have met him several times.

Q. You have reference to David T. Littler?—A. Yes, sir.

Q. Did you have any conversation with him while he was in Washington in regard to the silver matter?—A. I think not.

Q. In the article there is a reference to an ex-State treasurer of Illinois. The article says: "I think his name is Andrews." Do you know who this refers to?—A. I have heard since the article was published.

Q. Whom did it have reference to?—A. To Ex-Treasurer Tanner.

Q. Are you acquainted with Ex-Treasurer Tanner.—A. I think I met him once or twice at Springfield.

Q. Do you know whether he was in Washington pending the silver legislation?—A. Only by hearsay. I have heard that he was.

Q. Now, Mr. Stevens, if you can give us any other information with reference to persons through whom you have obtained knowledge directly or indirectly who have had connection with silver speculation pending legislation, we would like to have the names of such persons.—A. Do you refer to conversations I may have had ——?

Q. To conversations you may have had with persons.—A. Including Senators and Representatives, I had a conversation with Senator

Stewart which I thought was rather confirmatory of some of these statements.

Q. Did he state anything in regard to his personal connection with the matter?—A. Yes, sir.

Q. Give us his statement in regard to his personal connection.—A. He stated he was not personally connected with silver speculation.

Q. Did he state he had any knowledge of other people being connected with it?—A. I understood him to.

Q. That he had personal knowledge of people connected with it? Any other Senators or Representatives you have had any conversation with?—A. Yes, I have talked with a good many, but I do not know there was much information in what they said.

Q. Was it rumor?—A. Mostly as to what they had heard.

Q. Rather than personal knowledge?—A. Yes, sir.

Q. Do you know whether, pending this legislation, there were any agents of New York bankers or brokers or silver dealers in Washington?—A. Only by report and what Mr. Owenby said. He said some things that are not covered in that interview.

Q. If he stated some things not covered in that interview, of agents and bankers or silver dealers being engaged in that speculation, you may state what he said.—A. He stated that they were in the habit of coming down here during the pendency of the legislation and having conferences at the Shoreham and Chamberlain's and directing the plans and lobby.

Q. If you know the names of any so-called "lobbyists" who, during that legislation or at the present time, were at work here in Washington directing or attempting to direct legislation, I would like to have the names of those lobbyists.—A. I should not like to give any names and say the men were lobbyists.

Q. Well, we will not call them lobbyists. Do you know of any persons who were here urging silver legislation?—A. I had some names Mr. Owenby gave me.

Q. I believe I will ask you for those names.—A. I do not recollect all the names. I made a memorandum at the time he gave them to me, I think, but I could not recollect all of them.

Q. Give us as many as you can.—A. He mentioned Francis G. Newlands as rather directing and advising—

Q. Who is Mr. Newlands?—A. He is the man who bought ex-President Cleveland's place.

Q. And he was directing and advising, I understand you to say, according to Mr. Owenby's statement.—A. Yes, sir.

Q. If you can, give us any other names besides Mr. Newlands.—A. This matter, the gathering of these names, came about in this way. I had a conversation with Mr. Owenby after the resolution was introduced in December, and stated to him, "there may be an investigation, by whom could these statements be substantiated?" He gave me these several names, and that was the way in which I obtained these names. One of the first names was Mr. Newlands. Then he gave me the name of Mr. Parsons.

Q. Do you know his given name?—A. H. V. or H. B., I am not sure which.

Q. Of Washington?—A. No, sir; of New York; he is cashier of Wells, Fargo & Co. He gave me several other names, perhaps 8 or 10, but I have not them with me.

Q. Have you a memorandum of those names so you can produce them?—A. I think I have in a note book.

Q. You will produce them?—A. Yes, sir.

By the CHAIRMAN:

Q. Mr. Owenby, who furnished you with the information and of whom you speak as a "worker," was lobbying for silver legislation?—A. He was interested.

Q. You speak of him in that interview as "a worker"?—A. Yes, sir.

By Mr. PEEL:

Q. Mr. Stevens, how long have you known Mr. Owenby?—A. I have known him since the Democratic invasion of 1885.

Q. Where did this interview take place; at what particular place?—A. The Globe-Democrat office.

Q. Did he come there to report to you or did you seek him; how was that? Did he happen to be in and the conversation arose, or how did it come about?—A. My impression is we got to talking about it and he began to tell these things, and I took an interest in it and asked questions.

Q. Did he seem to be offended or disappointed about anything, or simply in a talking mood?—A. At that time he was very cocky; you know silver was 117.

Q. You spoke about not knowing his address for certain. Where is his address, do you think?—A. I think he told me the name of the mine. He told me the name of the mine he went out to take charge of or to be connected with.

Q. At what place, Colorado or Utah?—A. I rather think it is Utah. If I am not mistaken, the name of the mine is "The Silver Reef."

Q. Do you know his post-office address?—A. No, sir; but there would be no trouble in finding where he is. He told me other things—

Q. I want to find his whereabouts, so he can be reached. Give us such information as you have in regard to that, if you please?—A. I think he said at that time this mine in which he was interested and which he was going out to superintend was largely owned by a Mormon bishop.

Q. Give us his name.—A. No; I can not think what his name is, but I do not think it will be any trouble about locating him.

Q. You spoke of a subsequent conversation you had since the introduction of this resolution. Did he change his statement any or still adhere to it?—A. No, sir; he changed his frame of mind, not his statement.

Q. In what particular did he change his frame of mind?—A. Well, he was rather disgusted with the men he had been in with.

Q. Did he talk as though he had been disappointed and treated badly?—A. Yes, sir.

Q. This was in his last conversation?—A. In one of the later conversations.

Q. Do you know whether he is in Washington now or not?—A. I do not think he is.

By Mr. PAYNE:

Q. When did you see him last?—A. Just before Christmas.

Q. He was then in Washington.—A. Yes, sir.

Q. Did he tell you he was going away?—A. Yes, sir.

Q. And going to this mine?—A. Yes, sir; I understood him so.

Q. Did you make any memoranda of that conversation? A. No, sir. Of this last conversation?

Q. Yes.—A. I only met him 2 or 3 moments on the street.

Q. You say it will be easy enough to find him, but you do not give us information enough to find him.—A. I think I can find him very easily.

Q. You are disposed, of course, to help the committee to find him.—A. I have not any reason to act otherwise.

Q. In regard to this Mr. Rickey, you say he talked about the investigation when you met him.—A. Yes, sir.

Q. What was that conversation?—A. That involves the names.

Q. You may omit the names of members and Senators as long as it is hearsay. We do not care about that.

Mr. ROWELL. Except so far as it refers to a man who made a statement in his own connection.

Mr. PAYNE. As far as I am concerned I do not wish to have any hearsay statements about members or Senators. I do not want any second-hand statements if we can get it at first hand. Just give us that conversation, omitting the names of Senators and Representatives, if you will.—A. I met Mr. Rickey in the corridor just outside of the north entrance of the House of Representatives and drew him aside to ask him about what he had made in silver, but before I asked him any questions he said: "What is this damn fool," mentioning the name of a Representative, "after with this resolution, anyway." I said I did not know exactly what he was after. He said, "I was just down stairs in the restaurant and met Harry Smith (the Journal clerk of the House), and Smith said to me, "Your friend, so and so, is going to get into trouble," mentioning the name of a Senator, and Rickey said, "I said to him, 'what do you mean?'" and Smith replied, according to Rickey, "Why, he is the man whom Representative so and so is after." Rickey said he said, "I do not know what you mean." "Why," said Smith, "he expects to connect him with the silver pool." Rickey said he replied, "well, how do you know?" Smith said, "why he told a member of Congress so." Rickey said, "well, I know that this party—mentioning the name—"never owned an ounce of silver in his life, and I will give you a five hundred Treasury note, a new gold note, if you will produce the Representative who said that this other Representative told him that." Then Mr. Rickey went on to say why he knew this man was not in it, and related a conversation he had had with this Senator.

Q. That was all that was said on the subject of the investigation?—A. I think so. Then we took up the question of what he had made out of it.

Q. Have you any other information that will throw any light upon this investigation?—A. Yes, sir; I have some other information, but I understand it is to be presented to the committee, and as it was given to me in confidence I do not know that I should say anything about it.

Q. You understand it will be presented to the committee?—A. Yes, sir.

Q. I do not care to ask for it now, then.

By Mr. PEEL:

Q. You say that this man Owenby is very easily found and that you can find him?—A. I think so.

Q. Can not you give us a fact by which we can reach him?—A. If I wanted to locate him exactly, I would go and see John F. Caine, the Delegate from Utah, and ask where this man was, and I think I could locate him very easily

Q. This is your reason for thinking he can be found.—A. I think the mine is very well known out in that country.

Q. That would be the best method you know of for finding this location.—A. I would not be surprised if a telegram directed to Salt Lake City would reach him.

Mr. ROWELL. Where did he stay in the city of Washington; perhaps the register of the hotel would give us some information?—A. He stopped at the Langham, I think.

By Mr. OATES:

Q. In answer to one question you stated that Mr. Rickey at that time mentioned no one who was contributing to the furtherance of silver legislation, or words to that effect. Did he mention the name of anyone who was then contributing to silver legislation in any other conversation at any other time?—A. He mentioned the names of parties who were interested in silver legislation.

Q. If you remember, please give them.—A. Well, most of the names are mentioned in this interview, New York bankers. Do you refer to that? I do not think I exactly understand you. Mr. Rickey told me in the conversations he had, but it would not bear that interpretation—that it was in the interest of furthering silver legislation.

Q. Will you please state where and when you saw Mr. Owenby last?—A. I think I met him on the street near the Ebbitt House.

Q. At what time?—A. Just before Christmas, during the holidays.

Q. When did he leave Washington?—A. I think he left very shortly after that.

Q. Do you know why he left?—A. Only from what he told me.

Q. Please state that.—A. I had several conversations with him during December after this resolution was introduced and he expressed a disgust with the whole thing and said he was not meant to live in a place like this, and that they were all robbers, and that he was going West and return to his old business of mining, and that he had a proposition to take charge of this mine.

Q. He mentioned that as an inducement for him to leave, that he was offered charge of that mine, and disgusted with the place and methods of business here?—A. Yes, sir.

Q. Did he state who offered to put him in charge of the mine?—A. He told me several things about that mining property. I think the first time he spoke about it he stated that he either had an interest or a contingent interest in it, and they were pressing him to go out and take charge of it; that is, those who were interested with him.

Q. Did he explain to you how or wherein he was disgusted with the silver business?—A. Yes, sir.

Q. Please state it.—A. He said they had not treated him right, that they had robbed him.

Q. Of whom was he speaking when he said that?—A. Those with whom he was associated in the speculation.

Q. Did he mention names?—A. I think perhaps he mentioned 1 or 2 names.

Q. Please give us them if you can recollect them?—A. I would not like to do that. These conversations related to his private affairs.

Q. You will see, though, at once, Mr. Stevens, that does not prove the allegation; it merely mentions the names, and it does not prove their guilt at all?—A. He had had business transactions with these people, and at the time of this interview he supposed these transactions were all right. Afterwards, a month or six weeks or two months, they got

into some kind of a business quarrel, and he used these harsh expressions, and I would not like to use the names of his associates in connection with that statement that they had robbed him.

The CHAIRMAN. You speak of this being a purely private affair. Did you understand in this silver pool of which he was speaking there were any Senators or Representatives interested?—A. Well, I do not know how to answer that exactly. He gave me an idea how the whole thing was operated, and I do not know he said that any Senator or Representative was in his special transaction.

By Mr. OATES:

Q. Will you state how he described the operation or silver pool with which he was connected or in which he was interested?—A. This interview gave me the idea and I think I can state as to the way it was worked from what he said.

Q. Outside of that; independent of the interview.—A. It may go over some of the ground——

The CHAIRMAN. I think not; I think you might state it.

The WITNESS. He said there were various parties from New York who had associated themselves in little groups and were carrying so much silver. It may be two or three or a dozen in a group, and that these groups worked together, had their representatives and worked together to effect the most favorable legislation they could; and what he stated about himself and his troubles related to the group with which he was associated.

By Mr. OATES:

Q. Now, do you remember that he stated the names of any group with which he was connected who had dealt unfairly with him in the matter?—A. I do not think now just whether he told me who his associates were or not. He usually referred to them as "they" or "we." From his conversations I got the idea of the group he was with.

Q. Do you know the names of any of them which you learned from him or from any other source?—A. I have simply an impression from his conversations of the group he was with.

Q. Will you state that?—A. I would rather not.

Q. Was there any Senator or Representative or any other officer connected with the United States Government in that group and connected with it or interested in it in any way, as you learned from him?

The CHAIRMAN. He stated that these several groups were working together, and therefore any Senator or Representative connected with other groups would bring them all in connection.

Mr. OATES. Yes.

The WITNESS. He gave the names of Senators and Representatives, but I do not know that he specified just what group they were in.

By Mr. OATES:

Q. Will you state them, Mr. Stevens?—A. These names?

Q. Yes, sir.—A. I should prefer not.

Mr. OATES. I think, Mr. Chairman, that is clearly within the scope of our investigation.

The CHAIRMAN. As the correspondent has given the name of the gentleman who furnished the information I make the suggestion whether it would not be better first to examine that gentleman in order to get at the headquarters of such information rather than through second hand. I simply make the suggestion, as, of course, sooner or later we want that.

Mr. ROWELL. That would be the court proceedings, would it not?

The CHAIRMAN. Do I understand you that the names for which Mr. Oates has asked includes the names of any Senator or Representative in Congress or any official connected with the United States.

The WITNESS. I understood Colonel Oates to ask if Mr. Owenby mentioned any names of Senators or Representatives——

Mr. OATES. Or any officer of the United States Government. If he mentioned the name of any of these, give us those names.

(The witness was silent.)

Mr. OATES. You have a list of names which you intend to produce to the committee hereafter, as I understand.

The WITNESS. I have a list of names which I——

The CHAIRMAN. You were to furnish the committee with that list of names?

The WITNESS. I said I thought I had that list and I would look it up.

Mr. OATES. That does not include those about whom I am asking you now?

The WITNESS. Senators and Representatives—no, sir.

Mr. PAYNE. You obtained that list of names for the purpose of substantiating this interview in case there was an investigation, did you not?—A. I saw him shortly after the resolution was introduced and directed his attention to it and said to him that in case an investigation was ordered I would like to know what parties could prove these things, and he went on and gave me these names.

By Mr. ROWELL:

Q. Is this Mr. Owenby an officeholder of the United States now, or has he been in the past?—A. He was a candidate for appointment, but I think that was as near as he got.

Q. He never got an appointment?—A. I think not.

The CHAIRMAN. This list you can furnish to the chairman of the committee at your convenience, as soon as possible, but your further examination in the matter will be postponed until Wednesday morning at 10 o'clock.

TESTIMONY OF GEORGE H. APPERSON.

GEORGE H. APPERSON, sworn and examined.

By the CHAIRMAN:

Q. You are associated with Mr. Stevens in Washington as correspondent of the St. Louis Globe-Democrat?—A. Yes, sir.

Q. You will please give us your full name?—A. George H. Apperson.

Q. And your residence?—A. I believe my legal residence is St. Louis.

Q. You are stationed here as one of the correspondents of the St. Louis Globe-Democrat?—A. Yes, sir.

By Mr. ROWELL:

Q. How long have you been stationed in Washington as one of the correspondents of the St. Louis Globe-Democrat?—A. Nearly 4 years.

Q. Were you in Washington during the last session of Congress and during the pendency of silver legislation?—A. I was.

Q. Are you acquainted with the Mr. Owenby referred to by your associate, Mr. Stevens?—A. I am.

Q. Were you present at the office of the St. Louis Globe-Democrat at the time of the interview referred to by him?—A. I was in the office,

but I did not take any particular part or pay any particular attention to it. I was busy at my desk near Mr. Stevens.

Q. Have you had any conversation with Mr. Owenby in reference to this matter?—A. Yes, sir; some.

Q. At what time?—A. I had a little conversation with him about it some time in September, about the time he talked with Mr. Stevens, I think, and some since.

Q. You can give the committee the substance of these conversations as to his connection with silver legislation and silver speculation?—A. He told me very little about it, because he had talked with Mr. Stevens and my bump of curiosity is not very large and I did not ask him very much about it. He told me there had been a silver pool, and I understood it was still in existence.

Q. Did he tell you anything about the ownership of the silver bullion which in some proposed legislation is proposed to be purchased?—A. He said something about it; I do not remember exactly what. My inference, however, was that it was largely in possession of the silver pool; what he designated as the silver pool.

Q. Silver bullion was still in possession of what he designated as the silver pool?—A. Yes, sir; that is my understanding.

Q. Do you know whether he was around the Capitol during last summer or fall in communication with members of either House?—A. I used to see him around the Capitol, but I did not know exactly what his business was.

Q. During the present session, since the meeting in December, have you seen him about the Capitol?—A. I saw him here, I think, one day.

Q. Was any statement made by him; do you know whether he still had any interest in the silver pool or whether the interest had been closed up?—A. I think they had frozen him out.

Q. Have you had any conversation with any members of the Senate or House of Representatives with reference to any silver pool or silver speculation—first have you had any conversation?—A. No, I have not, except I have spoken to several and several have spoken to me since this investigation was called, but nothing bearing on the silver pool, no knowledge of it or anything of that sort.

Q. Have you from any member received any information touching certain members connected with the pool?—A. No sir, I have not.

Q. Have you any personal knowledge with reference to the formation of the silver pool or any combination for the purpose of engaging in silver speculation?—A. Nothing, except hearsay.

Q. Do you know anything about any lobby or any other organization of men existing here in Washington or elsewhere designed to further or hinder silver legislation?—A. Nothing, except I received several circulars and pamphlets of an organization calling itself the Silver Committee, I think appointed at the St. Louis convention. That is all I know about it.

Q. Do you know anything about what the composition of the St. Louis convention was, what business they were engaged in or had in contemplation?—A. I do not know what they did assume to be. I suppose their assumption was they were from all sorts of business representing the Western States and Territories. My own belief is they were mostly silver mine owners and persons indirectly interested in silver.

Q. Do you know where the money comes from, if money is used, which pays the expenses of the agitation of either side of the silver question here in the Capitol?—A. No, sir, I do not.

Q. Are you acquainted with David T. Littler?—A. I have met him a few times.

Q. He is mentioned in this article; did you see him in Washington last summer or this winter?—A. I saw him here last summer. I can not say how many times or how long he was here. I think I saw him here since this session.

Q. Did you have a conversation in reference to silver legislation?—A. No, sir, I did not.

Q. Do you know Ex-Treasurer Tanner, of Illinois, John T. Tanner?—A. I used to know him in the Illinois legislature.

Q. Did you see him during the last or the present session of Congress?—A. I saw him here the last session.

Q. Did you have any conversation with him?—A. No, sir; I did not.

Q. Have you had any conversation with any persons who claimed to be interested in any way in silver legislation, interested in the way of money, profit?—A. No, sir; not except Mr. Owenby.

Q. Can you give the committee any other information than that which you have given touching the things under investigation?—A. I think not.

Q. Have you seen Mr. Owenby lately?—A. Not since a few days before Christmas.

Q. Do you know his post-office address?—A. No, sir; I do not, but I think he is about 40 miles from Salt Lake City. I think he could be reached at Salt Lake City, but I, however, do not think that is his post-office address. I do not remember the name of the town, although he told me.

The CHAIRMAN. As Mr. Stevens has charge of your office and has the information, nothing further is required of you and you are discharged.

Here the committee went into executive session.

The chairman was authorized by the committee to appoint a clerk.

Subpœnas were authorized to be issued for the following persons: Harry H. Miner, J. A. Owenby, Joseph K. Rickey, David T. Littler, John T. Tanner, Francis G. Newlands, and H. B. Parsons.

Assistant Sergeant-at-Arms Cavanaugh informed the committee that Senator Vest had requested him to inform the committee that he could not be present to-day.

Thereupon the committee adjourned until Wednesday at 10 o'clock a. m., January 21, 1891.

THIRD DAY.

COMMITTEE ROOM, RIVERS AND HARBORS,
Wednesday, January 21, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 10 o'clock a. m., Hon. Nelson Dingley, jr., in the chair.

Present: The Chairman, Messrs. Payne, Rowell, Peel, and Oates.

The CHAIRMAN. Mr. Dockery is here and wants to make a statement immediately, as he has to go to another committee.

TESTIMONY OF A. M. DOCKERY.

A. M. DOCKERY, sworn and examined.

The WITNESS. I desire to say, Mr. Chairman, before replying to any questions that may be asked, that I am here by request of the chairman of this committee, as I see it is stated in one or two papers I was to be here as a voluntary witness, and I want to make that statement in justice to myself.

By the CHAIRMAN:

Q. I suggested to you, Mr. Dockery, it might perhaps be well for you to make a statement as preliminary to our investigation. You are aware that the resolution proposing this inquiry was offered by yourself. The question I wish to ask is whether you had information which led you to suggest this inquiry beyond the correspondence of the Globe-Democrat referred to in the preamble of your resolution.

Mr. DOCKERY. When I introduced the resolution I had no information whatever other than what appeared in the Washington correspondence of the Globe-Democrat, I think under date of September 20. I introduced it for the sole reason that it was alleged in that correspondence that a Democratic Representative from Missouri in the House was interested in several pools, and I thought it due the correspondent that he should either substantiate that charge or withdraw it, and therefore I introduced the resolution.

Q. You have, then, no further information now relating to the subject of this inquiry than that?—A. I have no personal knowledge, as I stated on the floor, of any party being connected with it. I do not know of my own knowledge of any person.

By Mr. OATES:

Q. Did you have any further knowledge of it outside of statements from parties implicated or interested? Is not your information hearsay? How about that? You say you have no personal knowledge?—A. I do not know of my own knowledge that any parties are interested in any silver pool.

Q. All you have heard is simply the general talk of other people, different persons, I suppose.—A. Well, I have heard some statements in respect to the matter since I introduced my resolution.

Q. What I mean is, have you heard anything in the nature of confession from anyone?—A. No, sir, not direct; that is, from any individual implicated direct.

Mr. PAYNE. Can you give us the name of any witnesses who can aid us in the inquiry?—A. Will you state your question of a moment ago, Mr. Oates?

The question was stated again.

The WITNESS. I have no personal knowledge, as I said heretofore, of any party. I have heard statements relating to another party.

By Mr. PEEL:

Q. Have you heard any statement of any members of the present Congress in regard to participation that they had in the matter?—A. No, sir; no direct statement from parties participating.

Q. Was it in your presence stated to some one else?—A. No, sir.

Q. I mean the fact coming from the party, either a Representative or Senator, with regard to any participation they had in a silver speculation or pool?—A. I have heard of a statement that was made to a Senator.

Q. But you did not hear it yourself?—A. I did not hear it myself. I heard it from a Senator.

Q. You say a Senator or some other member said to you——

Mr. OATES. That would come exactly up to the definition I was trying to make awhile ago. You may give us the name.

By Mr. PEEL:

Q. If the statement you heard the Senator make was some other Senator or some other member stated to him without giving any names, then we can not get the name of the Senator.—A. I prefer not to give the name of the party who made the statement to the Senator.

Q. I do not mean that. Here is the point, if you will see it: The statement you heard was from a Senator, I understand?—A. Yes, sir.

Q. Now, you say his statement was that another Senator had said to him so and so about it without giving any name; is that the fact?—A. I think it was.

Mr. PEEL. Now, Mr. Chairman, I think it would be competent to know what Senator had the talk with him. I understand from the witness he heard the Senator make a statement that some other Senator, or member, said to him in regard to what he knew or had been told in regard to the matter. Of course, we have got no name at all. If the witness will give us the name of the Senator who talked to him, then we can call that Senator and reach the other proposition and know who it was and what he said.

The CHAIRMAN. That is admissible.

The WITNESS. Without the information——

Mr. PEEL. Without the information, because we will subpoena him and obtain the information.

The WITNESS. I had a conversation with Senator Vest, of my State.

By Mr. PEEL:

Q. That a Senator or Representative said to him something in connection with this?—A. My impression is he said a Senator, but I would rather simply say, a gentleman, because I am not exactly sure about it.

The CHAIRMAN. Senator Vest has asked an opportunity to be heard, and I suggested that he be heard at his convenience.

The WITNESS. You do not want to know what Senator Vest said?

The CHAIRMAN. No, we will ascertain that from Senator Vest himself.

By the CHAIRMAN:

Q. have you any further information in the same direction leading up to any Senator or Representative?—A. No, I do not think I have; I do not recollect any. You will remember I gave in the letter to the Speaker some names.

Q. Of some bankers in New York.—A. I suppose the committee have taken official notice of that, but there is one party there not a banker, I believe——

The CHAIRMAN. Pardon me a moment. I remember the letter you speak of; you mean the letter you addressed to the Committee on Rules.—A. Yes, sir.

Q. You suggested there that certain gentlemen in New York, in your opinion, had some information respecting the matter, and gave the names in that letter.—A. Yes.

Q. That is as far as you went?—A. I gave them, but I did not include all; I simply gave three as a basis for the Committee on Rules if they desired to pursue the investigation themselves.

Mr. PAYNE. Were not these same names suggested in the correspondence?—A. With one exception.

The CHAIRMAN. What is that exception?—A. I think I am right about that. My recollection is that the firm of Zimmerman & Forshay were not referred to in the Washington correspondence of the Globe-Democrat, but I am not certain about that.

I simply desire to make one more statement with the permission of the committee. Inasmuch as it was alleged that a Democratic Representative from my State is affected, as I introduced the resolution, I wish to state that I have made an investigation in my own way on my own account and I believe it is absolutely untrue that a Democratic Representative—of course no Senators are included, but I will include both ends of the Capitol—that neither a Representative or Senator from my State had any connection either directly or indirectly. I think you will find by the most searching scrutiny that it will develop the absolute accuracy of that statement.

Mr. ROWELL. So you believe to that extent the men who communicated the fact to the correspondent of the Globe-Democrat lied?—A. Well, I do not think they told the truth.

The CHAIRMAN. Anything further?—A. Nothing that I know of.

TESTIMONY OF FRANCIS G. NEWLANDS.

FRANCIS G. NEWLANDS sworn and examined.

By the CHAIRMAN :

Q. Give us your full name.—A. Francis G. Newlands.

Q. And your residence.—A. Reno, Nev.

Q. Do you have any knowledge of any pool, syndicate, or association, or whatever name it may be called, having purchased silver during the silver legislation of last summer or since that period?—A. Of my own knowledge?

Q. Of your own knowledge, first.—A. Well, generally I say I have heard nothing except the newspaper talk upon that subject, with the exception of myself. I am interested in mining in Nevada, and selling bullion, and I have made, in association with a friend, a small purchase of silver bullion and realized a small profit.

Q. At what time was that?—A. It is hard for me to fix the time.

Q. About what time?—A. I should think the whole transaction was between February or March and July. I can not fix it distinctly, but it was between February and July of this last year. I wish to state no Senator or member of Congress, or anyone connected with the Government, was interested.

Q. Directly or indirectly?—A. Directly or indirectly, and I have no knowledge whatever of any Senator or member of Congress, or any body connected with the Government, being interested in any silver investment.

Q. Will you state to the committee about the amount held by your association?

Mr. OATES. Let him state how many people were interested.—A. Myself and a mine owner.

Mr. OATES. Only two?—A. That is all, I think; possibly some others interested in the mine may have been interested, but I have no knowledge.

By the CHAIRMAN:

Q. Anyone else indirectly?—A. No, sir.

Q. And you have no knowledge of any other silver pool or syndicate?—A. No, sir; except the talk of the newspapers.

Q. Will you state about the amount you and the gentleman associated with you held?—A. I know what my own purchase amounted to.

Mr. OATES. Let me interrupt you. Do you think we ought to inquire into that? That is disclosing his private transactions, and it strikes me we have nothing to do with that.

By the CHAIRMAN:

Q. I would like to ascertain where the silver is held now, if it can be done.

The WITNESS. I will say in reference to the silver I know nothing whatever about the holding of the silver bullion. I hold about 5,000 ounces now.

Q. You are a miner interested in silver mines?—A. Yes, sir; but I know nothing about the holding of silver bullion in New York and have no interest in it.

Q. Have you any knowledge of gentlemen interested in the holding of silver and purchase of silver being in the city of Washington for the purpose of influencing silver legislation either last summer when the silver bill was pending, or during the present session?—A. I do not know what you mean by the word "influencing." I know a number of mining men who were here at different times, as I was during the last session of Congress, who took part in the general discussion of the subject just as I did. I was here upon the business of an estate of which I am trustee, which has a large interest here, and during the time I was here I took part in this discussion of this question, but I made no effort to influence legislation beyond that general discussion and agitation of the question in which all mine owners, of course, were interested. There were a number of mine owners, I can not recollect the names particularly, from Colorado, Montana, and Nevada, but I do not know whether they came especially upon that matter or not.

By Mr. OATES:

Q. Do you know or did you hear from any of these mining men or men interested in silver legislation of any means or influence which was attempted to be used to influence any member of either House to vote for it beyond that of mere talk and arguments?—A. I never heard the subject named or discussed in any way.

Q. Never heard anything with reference to interesting any members in silver speculation in order to influence votes?—A. Never heard it suggested.

By the CHAIRMAN:

Q. Is there any organization or committee of your knowledge in the city of Washington for the purpose of affecting silver legislation?—A. There is a committee which was appointed by the St. Louis bimetallic convention, which was held about a year and a half ago, a committee consisting of a representative from every State in the Union, I believe, called the National Silver Committee, and that committee has had its sessions here while legislation was going on. The entire work of that committee consisted of publishing and circulating speeches, tracts, and pamphlets concerning the silver question and conducting a general agitation of the bimetallic cause.

Q. By means of documents and publications in the newspapers?—A.

Yes, sir; Gen. A. J. Warner, of Ohio, a former member of Congress, was chairman of that committee.

Q. Did that committee or that organization employ any agents to go through the country and visit other organizations?—A. That committee did, in a few instances, pay the reasonable expenses of men who believed in the bimetallic cause—in the agitation of it; small amounts, amounting only to their traveling expenses; men who had other occupations; a few only.

Q. Did they pay newspapers for publishing communications and articles?—A. Not to my knowledge.

Q. Who is the treasurer of the committee?—A. The treasurer of the committee is General Williams, I can not recollect his first name, of Indiana.

Q. Have you any knowledge as to the amount of money that has been expended by that committee?—A. I am not sure how much has been expended. Pardon me if I say the inquiry is going rather beyond, it seems to me, the warrant of the committee, but I have nothing to conceal, and I am willing to answer if the question is pressed.

Q. Only as this committee was appointed to further legislation, it might aid our inquiry to ascertain the character of its work?—A. It was not designed to further legislation. The small fund was obtained with the view of conducting this agitation.

Q. With a view of securing legislation?—A. If you press the inquiry, I will state it was not less than \$10,000, and I do not think it exceeded \$15,000, the entire money expended. Hundreds of thousands of pamphlets have been circulated through the country, and almost the entire expense was in that way. A secretary was employed, I think, at an expense of \$50 or \$100 a month, and the chairman of that association, General Warner, gave a great deal of his time to the matter as a matter of principle, and he refused even his reasonable traveling expenses and expenses in Washington.

Q. And those expenses were paid by the owners of silver mines and bullion.—A. Principally, I think; I know I subscribed to the fund.

Q. Have you any knowledge of owners of silver bullion or gentlemen connected with any association or syndicate owning silver bullion who are here in conference or who have been here in conference at any time during the past year with reference to promoting silver legislation?—A. Well, nothing beyond what I have already stated with reference to the presence of various persons interested in mines during the past year.

Q. Who were the holders of silver bullion?—A. I do not know who are holding the silver bullion, but I presume they are the men interested in mines that produce bullion and to that extent are holders. I am interested in mines that are putting out silver bullion upon the market, but I have no knowledge of where the transactions are made or the details.

Q. Could you give the committee any information as to the owners of the 12,000,000 ounces of silver bullion said to be held in New York?—A. I have no knowledge whatever of that.

Q. What kind of silver legislation is this committee, of which you have spoken, favoring; what is the object of their organization?—A. We believe in the constitutional right of every citizen of the United States to present their gold and silver bullion to the mint and have it coined into dollars of standard weight and fineness, the Government fixing by law the weight and fineness of both the gold and silver dollar.

Mr. OATES. In other words, free coinage?—A. Unlimited and un-

restricted coinage of both gold and silver. We are bimetallists, not silver men.

By Mr. OATES:

Q. Do you know whether there is a committee here representing in the same way as the silver committee the interest of the Farmers' Alliance, and of one representing the Granger organization, or anyone representing the shipping interest?—A. Well, it is my general understanding all these organizations have committees which look after the general agitation of questions connected with their own interests.

Q. And the silver interest was looked after in this same way?—A. Just as the tariff protection society and other associations.

Q. And the so-called Free Trade Club of New York?—A. Yes. I know nothing whatever that has been done that is discreditable in any way.

The CHAIRMAN. I think you stated you had no knowledge of any member or Senator being connected with the ownership of any silver bullion?—A. No, sir, no knowledge whatever.

By Mr. ROWELL:

Q. Are you a member of this committee of which General Warner is chairman?—A. Yes, sir, the member from Nevada.

Q. Are you a member of the special committee of which General Warner is president? I understand there is a special committee, and that some one is treasurer and another one secretary.—A. Yes, sir; I am a member of the executive committee, as it is called.

Q. How many members are on that executive committee?—A. I think there are ten or fifteen; I can not recollect the exact number.

Q. You are one of the large silver-mine owners in the United States.—A. The mines in which I am interested are not so productive now as they have been. I am largely interested in the Comstock and there has been a great decline in the output of the Comstock.

Q. Was this convention in St. Louis principally made up of mine owners?—A. No. I went, of course, as a man interested in mines; but a very large element of the convention was composed of farmers from the West and planters from the South. I can not say whether it was the predominant element or not. They were very earnest, and for the first time this agitation, which prior to this time had been confined mostly to the mining regions as a matter involving their own product, reached out and took in the whole country.

Q. In regard to the circulation of literature, where was it generally distributed and through what sources was it distributed.—A. We had a list of names of all the bankers in the country, for one thing, and if we had either a speech or pamphlet that was addressed particularly to bankers and their understanding, we would send it to them. We also had a list of all the Farmers' Alliance associations, or a great many of them, and labor organizations, and mercantile associations, and I think we had a list of almost every class of associations in the country, including manufacturing, and our general idea was to send to the members of each class the literature which was particularly adapted to its business and understanding.

Q. Until recently the agitation has extended, as I understand it, principally to the people interested in mining?—A. In mines.

Q. And through their literature distributed in the last few years it has finally brought in it all these other associations now interested in it?—A. Your statement is correct, partly. For years the interest in this question was confined to the mining region because the mining

industry had been very much depressed to the injury of that entire country. After the St. Louis convention we took in the whole country.

Q. That was the starting point of the agitation?—A. Yes; but the literature which is addressed through this committee was not literature from the mines or mine owners. I think the bulk of it came from those who were entirely disinterested and who were bimetallists from principal. For instance, General Warner, who had been at the head of this agitation for a good many years and absolutely disinterested.

Q. He has no mining interest?—A. No. Other men were in the same class. There were some bankers in New York who had no interest in mines who took an interest in the question. Mr. Thomson, president of one of the leading banks, is a thorough bimetallist; Mr. St. John also. They have proven themselves most earnest bimetallists, and men most intelligently appreciative of the subject, not interested in mines.

Q. But the original agitation grew out of the personal interest of the miners to enhance the value of their products?—A. They first realized they were hurt, but finally the money borrowers and producers found they were hurt, and I think we proved to them they were hurt a great deal more than the mine owners.

Q. So that the organization in Washington during the present session of Congress has been, I understand it, for the dissemination of what your committee believe to be intelligence, and not for the purpose of corrupting members of Congress?—A. Most emphatically not.

Q. In your judgment, would any member of this executive committee think of approaching anybody to corruptly influence them in the way of legislation?—A. From my knowledge of them, I should think not. I never heard the matter intimated or discussed.

Q. That is the point I want to get at, whether in your association have they engaged in trying legitimately to influence legislation, and has the matter of how to reach different members of Congress and Senators by other than argument ever been discussed?—A. It has never been discussed.

Mr. OATES. What is the politics of the silver committee or convention? What interest do they represent—Democratic, Republican, or mixed?—A. Mixed. I am a Republican, and the chairman of our committee is a Democrat.

The CHAIRMAN. I understand your answer on the point as to whether you had any knowledge of any Senator or Representative being interested directly or indirectly in any silver pool or syndicate to be no; and I take it for granted you intend to deny any knowledge of any silver being carried by any association or people, as far as profit is concerned, for any Senator or Representative.—A. My answer extends to that.

By Mr. PAYNE:

Q. You say you have no knowledge; have you any information on that subject?—A. None, whatever.

Q. None except—A. Except as I have stated from the newspaper talk I have seen.

Mr. ROWELL. I do not suppose you regard that as always reliable, as newspapers in their enterprise endeavor to catch up everything they can?

By Mr. PAYNE:

Q. I suppose in sending out this literature you did not forget the newspapers?—A. We sent to all the newspapers. I say all—

Q. You had a list of them?—A. If the committee desire I will send it copies of all the pamphlets we have issued.

Mr. ROWELL. I expect we have them already.

By Mr. PEEL:

Q. You are assured that the object of the organization was to bring the question of bimetallism before the public mind so that they could investigate it and act intelligently upon that subject?—A. I believe my interest as a mine owner lies in line with the general prosperity of the country, and I am agitating it as a public interest, not as a private interest.

Q. Was there anything in the proceedings towards urging any particular member of Congress or Senator more than one from any other part of the country?—A. No.

By Mr. OATES.

Q. Do you know James Owenby?—A. I do not know him and never met him to my knowledge, but I see in the newspapers he is a mining man in Utah, and it is possible that I have been introduced casually to him but I have no recollection of it. I never heard of him until I saw his name in the newspaper in the report of the proceedings of this committee.

TESTIMONY OF JOSEPH K. RICKEY.

JOSEPH K. RICKEY, sworn and examined.

By the CHAIRMAN:

Q. What is your full name?—A. Joseph K. Rickey.

Q. And residence?—A. Fulton, Mo.

Q. What is your business?—A. I am engaged in banking and stock raising and land owning.

Q. A national bank?—A. No, sir.

Q. Private bank?—A. Yes, sir.

Q. Are you interested in silver mines?—A. No, sir.

Q. Have you been interested in silver bullion, in selling it?—A. Yes, sir.

Q. Did you purchase silver bullion during the pendency of the legislation of last summer or since that time?—A. I bought it, I think some, time in April or May or June, along there.

Q. Were other gentlemen associated with you?—A. No, sir, I was in New York when I bought it.

Q. Alone?—A. Yes, sir.

Q. No Senator or Representative was connected with any pool or association with which you were interested or had any interest or had any knowledge of?—A. No one but myself, my own individual person.

Q. You had no knowledge of any silver having been carried for any Senator or Representative who should have the profit?—A. No, sir.

Q. Have you any knowledge of any pool or syndicate for the purchase of silver outside of your own purchase?—A. None whatever.

Q. Were you in Washington during the pendency of this silver legislation last summer?—A. I was here off and on. I was in New York most of the time; I was back and forth. I own some property here.

Q. Were you in conference during that period with any gentlemen owning silver bullion with reference to the furtherance of legislation?—A. No, sir. I simply believed there was going to be silver legislation

and there would be an advance, and I bought silver as a matter of speculation.

By Mr. PAYNE:

Q. Do you own any bullion now?—A. Do I want any?

Q. Do you own any?—A. Yes, I own some now.

Q. Do you own it individually or in connection with others?—A. Individually.

Q. Were you a member of this executive committee or have any connection with it?—A. No, sir, none whatever.

Q. In this silver miners' association?—A. None, whatever.

Q. Have you any information in regard to any silver pool for the purchase of silver bullion in the last year?—A. None whatever; no sir.

Q. Otherwise than what you own yourself, do you know where the silver bullion is, that is in sight, as it is called, is owned?—A. Yes sir.

Q. Who owns it?—A. I bought silver certificates which represented the bullion.

Q. But do you know who owns this bullion?—A. No, sir, I do not. I suppose they come out of the smelting concerns.

Q. You do not know?—A. I do not know.

By Mr. ROWELL:

Q. During this time, previous to your purchase of silver bullion and pending the holding of it, were you in communication with any Senators or Representatives by which you had any information as to the prospect of silver legislation?—A. I was here frequently and I would ask—I live in Mr. Bland's district in Missouri, we were all for silver, free coinage—and I would ask about the passage of the bill just as I would you or anybody else.

Q. Was there any discussion as regarded the prospect of silver going up?—A. Not a bit, not a word.

Q. You simply went into the matter of speculation on the belief that silver would go up?—A. That is it.

Q. Did you know from your connection with parties whether any member of the House or any member of the Senate made any purchase of silver during that time?—A. None whatever.

Q. No Representative or Senator said anything to you about purchasing?—A. No, sir.

Q. Or about speculations in it?—No, sir.

Q. Your dealing, then, has been an entirely individual matter, without any connection with anybody else in the world?—A. Absolutely so.

Q. Do you know Mr. Owenby?—A. I met him here.

Q. What business is he engaged in?—A. I do not know.

Q. Is he a man of good repute?—A. Well, sir, I do not know him well enough to answer that.

Q. You are not connected with him in any way in silver dealing?—A. No, sir.

Q. Do you know of his making any dealings?—A. No, sir; I do not.

By Mr. PEEL:

Q. You have answered you have no knowledge of any member of the House or Senate engaging in the purchase of silver bullion. Do you know of any person else buying for them any silver bullion with a view of giving the member or Senator the benefit of the rise, if there should be any profit?—A. No, sir.

Q. No one carrying bullion for any member or Senator?—A. No, sir.

Q. You have no knowledge of any member of the House or Senate

being directly or indirectly pecuniarily interested in silver legislation?—A. None whatever.

Mr. OATES. And no officer of the Government of the United States so interested?—A. No, sir.

TESTIMONY OF W. HARRY MINER.

W. HARRY MINER, sworn and examined.

By the CHAIRMAN:

Q. What is your residence?—A. Washington.

Q. And your business?—A. I am a newspaper correspondent.

By Mr. PAYNE:

Q. You say you are a newspaper correspondent?—A. Yes, sir, of the Times-Star of Cincinnati.

Q. I suppose you were present in the city during the last year and a half during the silver agitation?—A. Yes, sir; a portion of the time.

Q. Have you any knowledge or information in reference to any silver pool or pools?—A. I have some information which comes to me through a party who informed me that he had some information he obtained through dealing with some people who organized the pool, and I made the statement he gave me the basis of a dispatch to my paper, which dispatch I hand Mr. Dingley. That is the only information I have in the matter. The gentleman mentioned some names to me which I did not make use of, rather from an excess of caution than anything else.

Q. I see here you say, "My informant was asked to see certain members and induce them to buy shares in the pool;" did he say that to you?—A. Yes, sir.

Q. "These certificates represented 1,000 ounces and were to be sold to members only at \$25 apiece." That is what he stated?—A. Yes, sir.

Q. "My informant states that he declined to have anything to do with the nefarious scheme, but says he knows members of both Houses, and many did take certificates and who, of course, profited largely by the increase in the price of silver resulting from the passage of the bill which they voted for."—A. That is what he said to me.

Q. What was the name of your informant?—A. Mr. J. A. George, of this city.

Q. Do you know his street and number?—A. He resides at 1102 New York avenue.

Q. What is his business?—A. I do not know he has any particular business. He has been a sort of claim agent.

Mr. OATES. And claims to be a citizen of Texas?—A. I believe he does.

By Mr. PAYNE:

Q. You state also that your informant spoke of a Chicago man and the Chicago party named some members who were not to be approached as they had already taken shares?—A. That is what Mr. George informed me.

Q. Did he state the name of this Chicago party?—A. He did.

Q. What was it?—A. I can not recall it just now. The name has a sort of English twang to it and I do not recollect it just now. I have it written down somewhere, and if there is any necessity for producing it I think I can do so.

Q. You can produce it?—A. Yes, sir.

Q. Will you do that at some future time?—A. Yes, sir.

Q. Have you any other information in reference to the silver pool?—A. Well, all the information I have I derived from Mr. George and a gentleman with whom I was quite friendly, who writes a little; and by the way, he is the man, I think, who was asked to write these articles I spoke of for their publication in a local newspaper. I happened to know both the gentlemen. This other gentleman is E. N. Hill, of this city, and he does a good deal of writing for papers, and statistics for members of Congress occasionally, and things of that kind.

Q. Do you know his street and number?—A. Colonel Hill lives on G street between Twentieth and Twenty-first, I do not know the exact number. Colonel Hill has spoken to me on that matter, and what he said and what Mr. George said coincides. He also mentioned the name of that Chicago party to me, but it is a rather peculiar name and I do not recall it.

Q. Did you have any conversation with any other party in which this same subject was talked about?—A. I have had casual conversations with a good many people, but about all the information I have is what I got from those two gentlemen.

Q. Well, any conversation with any other party which confirms what you had heard from Hill?—A. No, sir; I can not say I have.

Q. No conversation in which you derived information in regard to the existence of a silver pool?—A. I do not recall just now, sir. I made that dispatch upon what those gentlemen told me.

Mr. PAYNE. I will read the dispatch.

The dispatch is as follows:

I have made the acquaintance of a man who was asked to do some quiet work for the promoters of

THE SILVER POOL,

whose membership was recruited in the House and Senate. On the 10th of March last an advertisement appeared in the Washington Star, desiring communication from some one able to write intelligently on the silver question. This gentleman applied. A Chicago man who was here at the time wrote him, and arrangements were made for a series of articles on silver to be written for publication in a local newspaper. Shortly after the Chicago man stated that he would not need the articles, but said that he was getting up a pool and wanted to sell certificates to members of the House and Senate.

My informant was asked

TO "SEE" CERTAIN MEMBERS

and induce them to buy shares in the pool. Each certificate represented 1,000 ounces and was to be sold to members only at \$25 a piece. The Chicago party named some members who were not to be approached, as they had already taken shares. My informant states that he declined to have anything to do with the nefarious scheme, but says he knows members of both House and Senate who did take certificates and who, of course, profited largely by the increase in the price of silver resulting from the passage of the bill which they voted for.

W. H. M.

The WITNESS. I may add that Mr. George elaborated on that, of course, a little, and said this Chicago party, whose name I do not recall, stated there were certain Illinois members he need not bother about; that they were taken care of; and as Mr. George is a Southerner he wanted him to look after the Southern members rather than the others.

By Mr. PEEL:

Q. Do you remember where this conversation took place with Mr. George? Was it at your rooms?—A. It was at my office.

Q. Did Mr. George or Mr. Hill bring the information to you or did you seek it; how did it come about?—A. Mr. George was in my office one day not long ago discussing the state of the Union in general.

Q. Of which he had charge, I suppose?—A. We naturally got on the silver question, as that was rather prominent, and he mentioned to me what he knew of it and gave me these facts. Previously I had been riding up to the Capitol on the car and met Colonel Hill on the car and he stated to me about what George stated to me in my office.

Q. Well, at the time the conversation took place did they seem to be interesting themselves in the matter?—A. Well, their hearts seemed to be in it more or less.

Q. Did they seem to be pecuniarily interested in the matter?—A. No. George expressed some regret he did not have some cash to buy some stock with; that is about all he said.

Q. Did not he speak of being paid for his services in any way? In other words, did he seem to be in a frame of mind that he was disappointed or dissatisfied in connection with it?—A. No; he did not speak in that sort of tone. These two gentlemen, it seems, had been selected by this Chicago party to see that certain members were interested in this pool to the extent of taking certificates, and they had not gone into it, but they did not explain to me exactly why they did not go into it.

Q. Did he give any reasons for giving the information? He knew you were a newspaper correspondent?—A. Yes, sir.

Q. Did he give any reasons for telling about these things?—A. No, sir; he seemed to want to contribute to my fund of knowledge; that is all.

By Mr. OATES:

Q. Did you pay Mr. George or Mr. Hill anything for the information?—A. No, sir; there was no consideration at all.

Q. It was volunteered by them?—A. Yes, sir.

Q. Did not ask anything for it?—A. No; did not ask a cent.

By Mr. PEEL:

Q. Since that time have you had further conversation on the same subject?—A. Yes, sir.

Q. Did they talk as though they had been badly treated by the Chicago man or anybody else in the negotiation?—A. I do now recall they did say anything of that sort.

Q. Did not manifest any dissatisfaction with the business transaction in any way?—A. No; I do not think they did. They did not seem to be in a tearful mood at all, but were rather anxious to tell me about it; that is all.

By Mr. OATES:

Q. You stated awhile ago you did not know any business Mr. George was engaged in. Do you know any business Colonel Hill is engaged in?—A. Well, I know Hill writes a little.

Q. And helps out George?—A. Yes, and they play poker with some gentlemen about town occasionally, and entertain their friends in various ways. I do not know they have, either, any regular occupation.

Q. Your paper is the Times-Star, of Cincinnati?—A. Yes, sir.

Q. What is the politics of that paper?—A. It is Republican.

By the CHAIRMAN:

Q. Could you give us the time when this conversation took place with Mr. George, or about the time?—A. Well, the last conversation

that I had, the one that occurred in my office, on which I based the dispatch—

Q. What is the date of that?—A. Last Friday; that conversation occurred on Friday morning.

By Mr. PEEL:

Q. All the conversations you have had with either Mr. George or Mr. Hill have been since the adjournment of the last Congress?—A. No, sir; they said something to me last Summer.

Q. While it was pending?—A. Yes, sir; and I will say I do not always publish all I hear, and I thought I would wait awhile and digest what they had to say and see whether there was any collateral evidence as to whether it was all right or not.

By Mr. OATES.

Q. Was it want of faith in the correctness of it which caused you to withhold from publication the names which they mentioned?—A. Well, I can not say that. Mr. George, I will say, Colonel Oates, talked pretty freely to me of what he knows and what people know and say, and he had made various allusions to the silver pool and certificates, which he said were beautifully gotten up and all that sort of thing, last summer, but I hear a good deal of talk and gossip that I pay no attention to, and at the time I did not regard it as anything more than talk of Mr. George, but lately he has gone more into detail, and on last Friday morning he gave me some specifications which I thought I ought not to pass by without noting.

Q. You stated in the first part of your testimony that you withheld the names for prudential reasons?—A. Yes, sir.

Q. Not knowing fully the truth of it?—A. Yes, sir.

Q. Was it not for the reason that your mind was not fully satisfied of the truth and you thought there was nothing in it, so you sent the dispatch in that form?—A. I did not mistrust Mr. George, as I do not think he is a prevaricator; but I have a great regard for the general reputation of members of Congress and public men as well as private men, and I did not care to call any names in the question unless I have very good reasons for it. The reason I did not publish it was because I did not feel perfectly satisfied I could verify any statement that had gone into it.

Q. Will you give the committee the names of the members which Mr. George furnished you, or proposed to furnish you?

The CHAIRMAN. I think we had better not have them until we hear from Mr. George. We had better get at the original of this story first; then we might want to call Mr. Miner again.

By Mr. ROWELL:

Q. Did Mr. George say he had approached these members the Chicago man had asked him to approach?—A. Mr. George told me he had been asked to interest especially Southern members generally, and some names were given to him of men he need not approach as they had already taken certificates in this pool.

Q. He did not pretend to know himself they had taken certificates, but that this Chicago man had said so?—A. Had informed him they had certificates.

The CHAIRMAN. Did you give the name of the Chicago man?

Mr. PEEL. This is the name the witness says he will get for us.

The WITNESS. I think I can lay my hands on the slip of paper I wrote it on.

The CHAIRMAN. Can you furnish it to the committee to-day.—A. I will try to do so.

The CHAIRMAN. If the committee is not at that time in session you will please furnish it to me.

The WITNESS. Yes, sir; I will try to get it and hand it to you.

TESTIMONY OF SENATOR G. G. VEST.

Senator G. G. VEST sworn and examined.

By the CHAIRMAN:

Q. Senator, if there is any statement that you desire to make, you are at liberty to do so.—A. Mr. Chairman and gentlemen of the committee, I simply want to say that for some weeks I have heard whisperings around the corridors here to the effect that I was implicated in some sort of way and my name connected with what is called a "silver pool." I want to say distinctly and emphatically, and without any reservation whatever, that I never in my life, directly or indirectly, had any interest whatever in the purchase or sale of silver, and that I know nothing about it of my own knowledge, and that the statement is absolutely, so far as I am concerned, without a shadow of foundation. I have never had any other silver than what I believe financial gentlemen call subsidiary coin in my portemonnaie.

Mr. PAYNE. You never got as high as the Bland dollar?

The WITNESS. I never generally even carried the Bland dollar, but generally had 10-cent pieces, quarters, and car fare. I never had any idea of going into a silver pool, and I would not have contemplated that under any contingency. I make this statement, not that I care anything about these rumors, they do not annoy me, but the New York Sun had an article, which of course a great many gentlemen brought me—as you gentlemen know kind friends bring these things to you to make you as unhappy as possible—in which it was stated that I was connected, that Mr. Dockery was "after me," to use the expression of that paper, and that was republished by the St. Louis Globe-Democrat, the leading Republican paper of my State, and for these reasons I thought it was due to myself and my friends that I should make this statement.

By Mr. OATES:

Q. Did anyone ever approach you upon the subject?—A. How do you mean approach me?

Q. By proposing for you to take any stock in a silver pool?—A. No, sir. I was in New York some time ago and I heard gentlemen talk about buying silver, but nobody made any proposition to me; nobody ever asked me to go into any pool. Of course, I have heard the usual comment on silver going up, and thought it would go up myself.

Q. During the excitement here, after the introduction of the resolution by Mr. Dockery to investigate, did any person interested or claiming to be at all interested, have any conversation with you about it?—

A. Well, one of my colleagues in the Senate stated to me very frankly after this resolution was introduced——. I never heard of the resolution until I saw it in the papers that Dockery had introduced it, and it attracted my attention then principally because it stated a Democratic Representative from Missouri was involved in it. I did not know what gentleman was alluded to, and that excited of course some comment among Missourians, and in connection with that matter, when people

were talking about it, one of my colleagues in the Senate stated to me very frankly he had bought some silver and sold it. I am pretty positive he said after the bill had been voted on. He stated he did not think he did anything wrong, that he had the right to do it, and he would make that statement before the committee.

Q. What Senator was that?—A. Senator Cameron. I will say, to be entirely just, that I did not come here to involve anybody, but to answer any questions and tell the whole truth.

Q. I asked the question just as a matter of information, not having any idea who it was, because we are a sort of smelling committee, trying to find out whether there is any truth in these charges.

The WITNESS. I understand. Senator Cameron stated to me after a vote on the bill had been had in the Senate—he voted for free coinage—he had bought and sold some silver, and that he thought he had as much right to do that as to buy corn or wheat or to buy any other commodity; that his action as a Senator had not been influenced by his interest, because it was after the thing was over, and he had no concealment about it and he would state it to anyone.

By Mr. PEEL:

Q. It was after the bill passed the Senate?—A. Yes, sir; after the passage of the bill and after he had voted for it.

Q. He made no secret about it?—A. No, sir; but that he would tell the Committee so. He is a perfectly frank and honorable man. I think I told Mr. Dockery that after his resolution had been introduced and he had a conversation with me; in the course of the conversation I told him what Senator Cameron had stated.

Q. Did you understand he had made the purchase or sale individually, disconnected with any combination?—A. My recollection is he said Littler had bought it; that he did not know anything about it; that he put in some money after the bill was passed and Littler managed it, but he did not know anything about the details.

The CHAIRMAN. That is what——

The WITNESS. What Senator Cameron told me.

Mr. OATES. I suggest it would be better to call Senator Cameron.

The WITNESS. I think he stated he had not bought it himself; that Littler had managed the matter. And then he stated Littler came to him and told him that he could make some money in silver; that silver was going up and he told Cameron to put in some money and I think Cameron said that Littler bought and sold it.

The CHAIRMAN. Is there anything further?

The WITNESS. Nothing else. I just came here to make a statement about myself.

Mr. OATES. You have no knowledge further than you have stated in connection with the matter?—A. None in the world. I never had anything to do with it. I am not astonished at the statement because I have been here long enough not to be astonished at anything said about public men.

Mr. PEEL. I think all of us have had experience in that respect; it is not unusual.

The committee here went into executive session and ordered the subpoena of J. A. George, E. N. Hill, and Charles C. Glover.

Thereupon the committee adjourned until 10 o'clock A. M. Thursday, January 22, 1891.

FOURTH DAY.

COMMITTEE ROOM, RIVERS AND HARBORS,

Thursday, January 22, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 10 A. M., Hon. Nelson Dingley, jr., in the chair.

Present, the Chairman, Messrs. Payne, Rowell, Peel, and Oates.

The CHAIRMAN. Senator Stewart desires to make a brief statement as his name was mentioned in the St. Louis Globe-Democrat correspondence.

TESTIMONY OF SENATOR WILLIAM M. STEWART.

Senator WILLIAM M. STEWART sworn and examined.

By the CHAIRMAN:

Q. Senator Stewart, in the testimony of Mr. Stevens as to the correspondence which appeared in the Globe-Democrat, of St. Louis, he mentioned the fact that he had a conversation, "which in witness' opinion was confirmatory of some of the statements which had been made to him. Senator Stewart said he was not personally connected with silver speculation;" and witness added, "but I understood him to have personal knowledge of other people being connected with it." I read that in order that you may make any statement you may desire in respect to it.—A. I do not recollect any particular conversation with any person with regard to the silver market or silver purchases, but the subject has been frequently discussed, and I have participated in the discussions. I have more particularly with regard to the Senate finance bill, which provided for the purchase of 12 millions of silver bullion now on hand, and I, in the Senate and elsewhere, have opposed such legislation on the ground that it would have the appearance of passing a special act of Congress to relieve those who have purchased silver.

In connection with them I have frequently stated that those who purchased silver and had gone into a speculation must take care of themselves, and if there was any legislation on silver I want it framed so as to stop speculation as much as possible. Of course persons who had made the purchases and had silver on hand would be equally benefited by free coinage as by a special act; but free coinage, I maintained, would settle the price and prevent future fluctuation and consequently future speculation. Of course it would be impossible to legislate so as to entirely prevent people from speculating. I had no reference to any conversation with any member of Congress, because I knew nothing of any members of Congress or Senators, or who had the silver; I had no knowledge of it whatever, but it was perfectly natural that somebody should buy it, and the fact appeared they had bought it, and I opposed special legislation to relieve them. As to myself, I have never bought or sold silver bullion, except years ago when I was mining and selling such silver bullion as I produced in connection with others. I have not, for several years, been interested in any silver mine directly or indirectly, either by stock or by interest in its profits. I am entirely out of silver mines and have been for 4 or 5 years. It is possible some abandoned mines may be with me yet, but they are of no value and I will sell all the interest I have in silver mines for \$10 if anybody will make out a deed. I have some little interest in gold mines, but not in

silver, and I have had no connection whatever with any dealing in anything connected with silver for several years, and I have no knowledge of any Senator or Representative dealing in it at all. None have told me they were interested in it and I have no information with regard to it. All I know is that it is reported by the Secretary of the Treasury and others that there is an accumulation of about 12 millions in New York; that is, in the hands of those who bought it on speculation.

Q. You have no knowledge, then, of any purchase of silver by any pool or syndicate or combination or individual during the pendency of silver legislation of last summer, or since that time?—A. None whatever, except what I see in the public print and public papers and general reports with regard to the stock markets.

Q. You have no knowledge of any conferences between owners of silver bullion during the pendency of the silver legislation and since that time here in Washington or elsewhere with regard to promoting legislation?—A. I have not. I should suppose if there had been proceedings of that kind going on—I do not know that would be true—I would have known of it, but I knew nothing of it, and nobody approached me or talked to me about it, except those who were in favor of silver in a general way as on all other public questions. I have talked with men who were in favor of bimetallism, and heard them talk as well as those who were against it. There was lots of discussion, as far as that was concerned, among citizens who were here, some for and some against; I mean the usual discussion when a bill is passing.

Q. One of the witnesses testified to there having been conferences at the Shoreham and other places in this city during the pendency of silver legislation and more recently, and communication by means of special wires to parties in New York with reference to it; do you know anything of that?—A. I do not. I have been in Chamberlin's several times—

The CHAIRMAN. The witness whom I have referred to also mentioned Chamberlin's.

The WITNESS. I have been in there several times this winter, and the subject of silver was called up publicly. I know of no conferences that were held which were not public.

Mr. PAYNE. Have you any knowledge as to who own the 12 millions of silver now spoken of as being in sight?—A. None whatever. I have no knowledge whatever; I never made inquiry and nobody informed me. The only thing I know is, it is given out by the Secretary of the Treasury that there is about that amount there.

Q. Were you ever offered any silver during the pendency of this legislation by any pool?—A. No, sir; nobody ever mentioned the subject.

By Mr. PEEL:

Q. I will ask you one question in addition. You have stated you have no knowledge of any member of Congress or Senator being connected with any syndicate or pool for the purchase or speculation of silver bullion during the pendency of said legislation?—A. Yes, sir.

Q. Do you know of any side combination, either syndicate, pool, or individual, which has bought silver bullion and carried it for any member of Congress or Senator with the idea he was to share in the profit?—A. I have no knowledge of it.

The CHAIRMAN. If you desire at any future time to make any further statement we will be glad to hear you?—A. I think I have stated all I desire.

TESTIMONY OF E. N. HILL.

E. N. HILL sworn and examined.

By the CHAIRMAN:

Q. What is your name?—A. Ezra N. Hill.

Q. Where is your residence?—A. 2032 G street NW.

Q. What is your business?—A. Lawyer and newspaper writer.

Q. Have you any knowledge of the purchase of silver bullion by any pool, syndicate, or association of persons or individual, pending the silver legislation of last summer or since that time?—A. Allow me to explain what little knowledge I have. On the 10th of March last this advertisement, a copy of which I took out the other day—yesterday, I believe—appeared: Washington Star, March 10, 1890, "Wanted—To engage a journalist, who is a ready writer and a bimetallist familiar with the gold and silver question. Address box 74, Star office."

I answered that advertisement, stating in my letter I had been for the last 2 years of its existence the principal editorial writer of the National Republican and was perfectly familiar with bimetallism and had written a great deal on the subject, and if the advertiser wanted to engage my services he could see me the next day at any time between 10 and 12 o'clock. If I put my answer in on the evening of the 10th, I am not certain of that, anyway the morning after I put the answer in, a gentleman came into the room I had suggested in my letter. There were three or four gentlemen, I do not recollect who they were, but I know that Mr. George was present; this gentleman came in and asked for Mr. Hill. He said he wanted to see Mr. Hill. I got up and said that was my name, and Mr. George rose and spoke to the gentleman, calling him by his name. He recognized Mr. George and answered. Mr. George then introduced him to me and he said he came in consequence of receiving my letter; that he was satisfied that I was the person they wanted, and wanted to make an engagement with me to do writing at a certain time. We went out of the room, he and Mr. George and myself, and sat down together, and he said he was satisfied there was going to be a difference between the House and Senate bill, and that he wanted the proposition that they had—this was his language—brought before the public intelligently so they could understand it. He said that he expected to go out of the city and would leave to-morrow evening for New York, and he said: "I shall be back about the 1st of April, then I will be glad to tell you what we want done, and I will pay you for your services." I said, "Very well, I will be ready at any time." He did not return about the 1st of April, but somewhere probably between the 5th and the 15th, and I met this gentleman. I have not given his name; his name is Hedenberg, I think his initials are J. W.

Q. Of New York?—A. Of Chicago, so I was informed. He told me that himself—and I met him in the main corridor here somewhere between the 5th and the 15th of April. If you gentlemen desire it I can get the exact day, as he stopped at the Riggs House and the date of his arrival there would settle it. After shaking hands I said, "Mr. Hedenberg, are you ready for me to go to work at that writing?" He said, "We will not need any; this bill suits us exactly." He always used the plural in talking; I noticed that. But he said, "Here is something perhaps you could make money out of more than by writing." I said, "What is that?" He pulled out his pocketbook and

took from it what he said were silver-pool certificates—I never read one—but he stated they were thousand-ounce certificates and said, “If you take these and sell to your friends”—I do not recollect the exact term he used—“on a margin of \$25 for 1,000 ounces, for every four you sell you can make one.” I said, “I might sell some among some business men.” He said, “We want you to sell them to members of Congress.” I said, “The members of Congress that I know are so poor they can not pay a margin of \$25,” and turned it off in a laugh. I did not want to sell the certificates, for it was not my business. My business was to write, and I would have done the writing, of course. The conversation was continued some time, he and Mr. George having the most of it, and he mentioned that they wanted to get members in it, and it was a legitimate business, and all that sort of thing. I lost my writing job, out of which I expected to make \$200, because, as he stated, the bill suited him. That is all. I never stated the facts until within a week or two—I think it was yesterday I told Mr. Stevens.

Mr. STEVENS. Yes.

Q. Have you any knowledge that any certificates or any interest in silver were offered to Senators or Representatives in Congress or to any employes of the Government?—A. I do not know of a single instance. I saw Mr. Hedenberg after that around the corridor, but I paid no attention to that, it was simply a matter of business with me. I wanted to do his writing and to get the pay and I did not want to do the other thing, and I did not do it. I write on that subject and most any other subject that a man wants me to write about.

Q. Have you been employed to write on the silver question?—A. I was the principal editorial writer of the Republican for two years.

Q. Since that time have you written such articles?—A. Since that time I have written occasionally, sir, not a great deal.

Q. For compensation?—A. Yes, sir; I do not write for anything else.

Q. When did you write such articles?—A. I wrote a statement of the amount of silver in the world for the Pan-American Congress, for Mr. Fox. I prepared a letter to Mr. John B. Henderson, at his request, showing the amount of silver in the world and each section of the world, and section of the country, and the amount mined each year.

Q. Any articles for newspapers or pamphlets?—A. No, sir; unless you might call the Congressional Record a pamphlet or a newspaper. I have written some essays, I believe—

Q. Do you mean essays that have been delivered as speeches?—A. I do not know, sir, what was done with them. None of you gentlemen here have engaged me to write an essay for you.

Q. Have you written on both sides?—A. No, sir; I have not been asked to write on but one side of the question.

Mr. OATES. Which side?—A. Bimetallism.

The CHAIRMAN. That is, the free coinage of silver?—A. Yes, sir.

Mr. OATES. As you are a professional writer for compensation you would write on either side, it makes no difference to you?—A. Why, of course, I would if you paid me for it.

The CHAIRMAN. But you have not been asked to write for the other side?—A. No, sir; there is nothing in that. I edited a Democratic paper. I am a Republican myself, but I can edit a Democratic paper as well as most Democrats.

Mr. PAYNE. Then you have not examined the Record to see whether you were given due credit?—A. No, sir: I do not care about the credit; it was the cash I was after.

By Mr. OATES:

Q. How much do you usually get for a good speech?—A. If you desire one, I will make any terms you choose.

—Q. I want to know in advance; I know where to get one now, and I wanted to know what it would cost.—A. I do not like to tell my prices. Mr. George was present at all the conversations I had with this gentleman.

Q. Do you know anything about the business this man Heddenberg is engaged in?—A. I know nothing only what has been stated to me. I was told by Mr. George, who seemed to know him well, that he was a real estate dealer and a wealthy man of Chicago. That is all I know. He made no statement to me himself about his affairs.

Q. You know nothing as to his character and standing?—A. No, sir. The only times he spoke to me were the two I have mentioned, and I probably met him in the corridor afterwards.

Mr. PAYNE. Did you find out who issued these certificates?—A. No, sir; I did not read over any. He showed me what he said were silver pool certificates of 1,000 ounces each.

Mr. OATES. In blank?—A. They were nicely and beautifully engraved, I saw that. I can not see without putting on glasses and I did not take interest enough in it to put the glasses on. They were nicely engraved certificates, but whether they were silver certificates or not, I do not know. I can not read anything without my glasses on and I did not put my glasses on, as I did not take sufficient interest in it.

By Mr. PAYNE:

Q. Did he state to you the object of selling these to members of Congress?—A. I suppose he stated—no, I do not know he did. He wanted to make money, I suppose, by selling them.

Q. I understand that \$25 was to be a margin.—A. Yes, sir.

Q. What was the price for the certificate?—A. There was 1,000 ounces of silver which you could buy upon a margin of \$25 and wait for a rise. If there was a fall, of course the \$25 would be wiped out. I saw that statement also in the New York papers.

Q. The only margin required for 1,000 ounces was \$25?—A. Yes, sir; that was supposed to be enough.

By the CHAIRMAN:

Q. Did he name the price at which the certificates could be sold to members of the House of Representatives?—A. No, sir.

Q. Were they to have them at a less price than others?—A. No, sir.

Q. Did he mention why he was particular that these should be sold to Senators and Representatives rather than to citizens generally?—A. Well, I do not know he did. I paid very little attention to the conversation.

Q. From the general conversation what did you suppose the object was in having these sold to Senators and Representatives particularly?—A. If I drew an inference I should think he wanted them sold to them to get them to vote for the bill. That would be the inference I would draw.

By Mr. PAYNE:

Q. On what terms were you to have, as you say, this 1 out of every 4.—A. To pay for selling the 4.

Q. You were to have a certificate for 1,000 ounces for selling 4 certificates at \$25 apiece?—A. Yes, sir.

Q. Then you got \$1,000?—A. No, sir.

Q. You would get \$25?—A. Yes.

Q. That is, you would get 1 without paying the \$25?—A. Yes.

The CHAIRMAN. But you were not to have this margin unless you sold to Senators and Representatives?—A. I do not think he stated that positively.

Mr. PAYNE. As I understand, he was satisfied with your statement as to the poverty of members and that terminated any negotiations?—A. Yes, sir; I will allude more especially to my friend from Arkansas there; the Arkansas members I knew were all like myself.

Mr. PEEL. You guessed pretty well on that; I accept it as a true solution for the whole Arkansas delegation.

Q. Do I understand you to say this gentleman's initials were J. W.?—

A. I think that is his name, and he is a retired real estate dealer of Chicago.

Q. Have you seen him in Washington since the last conversation?—

A. No, sir; not since some time in April, when the last conversation occurred. He was here for several days, possibly two or three weeks, but I did not see him more than three or four times, because my wife was taken sick directly afterwards and I was at home.

Q. Was that all the conversation you had with him in regard to these silver certificates?—A. The only conversation I ever had with him was in one of the windows of the corridor.

Q. Have you any other knowledge of any other person or outside parties having similar certificates, or being organized for the purpose of buying silver bullion for the purpose of interesting members of Congress and Senators?—A. No, sir; nothing except what I saw in the newspapers.

Q. I mean of your personal knowledge?—A. No, sir; I have no knowledge at all.

TESTIMONY OF J. A. GEORGE.

J. A. GEORGE, sworn and examined.

By the CHAIRMAN:

Q. Please give us your full name.—A. James A. George.

Q. And your residence.—A. 1102 New York avenue, this city.

Q. What is your business?—A. Provision and meat grocery, corner of Eighth and M streets, this city.

Q. Have you any knowledge of the purchase of silver by a silver pool or syndicate or combination, or any individual, during the pendency of the silver legislation last summer or since that time?—A. Well, Colonel Hill has mostly stated the things that occurred as far as my knowledge is concerned. Mr. Hedenberg took his meals where I did some 18 months before he met Colonel Hill. I did not know he was in town at the time. He took his meals at Mr. Golden's, at the corner of Eleventh street and Massachusetts Avenue, where I was boarding, and about 6 months before this conversation occurred he left and went to Chicago, and I did not see him again until he came into the colonel's room. Colonel Hill told me that he had answered an advertisement about writing for bimetallism, and when I was in the room Mr. Hedenberg walked in, and when he asked for Mr. Hill I got up and spoke to him and introduced him to Mr. Hill, and he said that he had this letter and that he wanted to see him. As we walked down I understood from his conversation that he was a free coinage man; I thought that was his object from his conversation, and he wanted a series of articles written

for some papers in New York and some magazine, perhaps, and he made a conditional arrangement that when he came back he would see him again.

He went off and I did not see him any more until I met him here in April on the Democratic side over in the door as you come out of the cloakroom. I said, "Well, how is it going along? I think we have got the boys on the run." He said, "Why?" I said, "The Senate passed the bill and we will have free silver." He said, "You are mistaken; that is not what we want." I said, "No?" He said, "No; we want the House bill." I said, "You will not get it." He said, "Yes, we will." We went out in the corridor and we met Colonel Hill and we went into the large window on the right, and he said to Mr. Hill, "I have changed my mind about this thing and I do not want that work done;" and said, "this House bill suits us." Then he said, "We have got a pool organized and we have bought up"—I think at that time he said "about a million ounces." He said, "We are going to get more," he said, "if you can place some of this among members of Congress." He especially wanted me to see about members of the South. I replied, "Mr. Hedenberg, in the first place I am a free coinage man, and if any member of the South would go into a thing of that kind I would expose him and have him expelled." In the mean time he had showed the certificates as Colonel Hill stated. From that time, after I expressed my opinion, whenever he saw me here in the Capitol he dodged me. After he found out I would not go into this scheme he dodged me. I told him at the time that I could probably sell some in town among some of the business men, as I thought I knew some men who would go into it as an investment, but he was very particular that they were not to be sold to outsiders, and that they were to be disposed of to nobody except members of Congress.

Q. Have you any knowledge of persons having bought such certificates or not?—A. No, sir, because after I expressed my opinion to him, he had given the cold shoulder about it and did not want any further business about it and did not want me to know anything about what he was doing, and whenever he saw me on the floor before the House met he would go out of the way every time and dodge me.

Q. Then you have no knowledge that any Senator or Representative was interested in these certificates?—A. I have no knowledge you could call knowledge. There is heap of hearsay which is not worth putting in.

By Mr. OATES:

Q. You have no knowledge that any officer of the United States Government is interested in it?—A. Not at all. As he told me he was in with some gentlemen in New York and I think some parties in Chicago. He is a Chicago man himself.

Q. Do you know anything about the character and standing of that man Hedenberg?—A. My opinion about Mr. Hedenberg—when I knew him I understood that he was a man of means and a retired real estate man.

Q. Did you get that from him or some one else?—A. Well, I got that from—I forget who it was, but I met some gentleman here during the Knights Templar or Knights of Pythias conclave from Chicago who knew of him and spoke very highly of him.

Q. Do you know Mr. Hedenberg's address in Chicago?—A. I think he used to be in business; if I am not mistaken, his office was room 5, 8, or 9 Randolph street.

Q. In Chicago?—A. Yes. That is where I believe his place was, but he had retired from the real estate business, and I think a year before this thing occurred that he invested in some real estate in Washington City. I think he put some money in some investment in the suburbs. He seemed to have plenty of money and stopped at first-class hotels and paid his bills, etc.

By the CHAIRMAN:

Q. Did you tell the correspondent of the Times-Star you knew members of Congress had been approached and had taken stock?—A. No; he got that wrong. I stated to Mr. Hedenberg, "You are very earnest; why don't you go and see some friends from Illinois." He said, "That is all right." He did not mention any man's name whom I could throw a cloud on in that way. He never said he had gone——

Q. Then you did not tell the correspondent that you knew members of Congress who had been approached?—A. Mr. Miner got that mixed. I told him judging from the way this party talked and from the way some members voted he knew what he was talking about. That is the way I put that. He never told me he had given certificates, but I was asked to get parties to buy these certificates; to use his expression, "to get them in on the ground floor."

Q. Did you tell this correspondent that this gentleman informed you you need not trouble with the Illinois members?—A. That is exactly the words. He said, "I am from Illinois, and you need not trouble about that."

Q. Did you tell the correspondent that they had been looked after?—A. I guess he got that wrong. He said he would look after these himself.

Q. Not that they had been looked after?—A. That he would attend to that himself, as he was from Illinois, and the West generally. He said that he wanted to confine me to the South, and I said we did not have men down South who did business that way.

By Mr. OATES:

Q. You did not tell him that Southern members could not raise \$25, or anything of that kind?—A. I expect if he had asked the question directly I would have done so, unless it was the 4th, and as this was after the 4th he would have to wait too long.

Q. What are his initials?—A. I think they are John W., but I could see that by going to the hotel and looking at his name. I had his card at home, but I could not find it.

Q. Are you sure it is John?—A. I think it is John W. I could verify that by going to the Riggs House.

Q. When did you see him last?—A. He was here during the pendency of the fight between the Houses on the conference report, and he prophesied all the time that the House would win. He was very confident that the House side would win.

Q. You were confident that it would not?—A. I was confident it should not, and therefore that it would not.

Q. Did he stay here at all after the bill finally became a law?—A. He was not here after the bill became a law.

Q. You had no further talk after the first one?—A. He always dodged me and seemed to have no further use for me.

Mr. ROWELL. He seemed to you to be a free-coinage man at first, and then after the bill passed the Senate he seemed to favor the House bill?—A. I did not understand how it was. I tried to convince him if

he was in a silver pool that free coinage was worth more, but he seemed to think there was more room for speculation the other way.

By Mr. PEEL:

Q. I understand in the first conversation you had with Mr. Hedenberg at the time it was in relation to Mr. Hill's writing articles in the interest of bimetallism.—A. Yes, sir.

Q. He wanted to engage his services?—A. In that line.

Q. And after he returned from New York he seemed to have changed front and he was in favor of the House bill as against free coinage?—A. Yes, sir; he stated that he wanted the House bill.

Q. And he then represented he was in this silver pool and had these certificates?—A. Yes, sir; and wanted us to go into it.

Q. Then you understood him that he wanted you to show these certificates to Southern Members in order to induce them to vote for the House bill as against the Senate bill?—A. His idea was, "Your men are for silver," and I said to him: "They are for free coinage." He said: "You can not get this and——"

Q. Did you understand that was his object, to secure the vote of the Southern Members for the House bill as against the Senate bill?—A. That is the only object as I understood.

Q. Then the prosecution of his enterprise was to secure the passage of the House bill as against free coinage?—A. That is what he wanted, and he emphatically declined to sell any certificates to any business men in town, but wanted me to confine myself to Members of Congress.

Q. Did you understand from him in the conversation it was well understood that Southern Members as a rule were for free coinage and therefore——A. He wanted me to show them the error of their ways.

Q. By giving them certificates?—A. Yes, sir; and he was very emphatic in assuring me that I would see when the bill passed that the Senate bill would not go through the House, that they had got that so fixed it would not go through the House.

TESTIMONY OF SENATOR H. M. TELLER.

Senator H. M. TELLER sworn and examined.

The CHAIRMAN. Senator Teller sent me a request yesterday, in which Senator Wolcott joined, to be allowed to make a statement before the committee. I stated in reply to it that we would be glad to hear from him at his convenience. Senator, you may make any statement now you desire.

A. If you ask me—I have not followed this investigation and I hardly know exactly the line which it is taking—I will answer any questions.

The CHAIRMAN. There has been nothing in the testimony that has referred to either yourself or Senator Wolcott.

A. I did not suppose there would be, but inasmuch as we represent a State that produces more silver than any other, and we have both been very active in promoting silver legislation, I thought it very proper we should come before the committee. We consulted in regard to the matter before we sent the joint communication to the chairman. I should have probably been here a day or two before but I have been quite unwell and it has been difficult for me to get out.

Q. Have you any knowledge of any purchase of silver or holding of silver by any silver pool, syndicate, or association, during the pendency of the silver legislation of last summer, or since that time?—A. I will

say I never heard of any pool or syndicate being in silver, or proposing to buy silver, or to own silver, or to handle any silver in any possible shape, until I saw these statements in the newspapers about the time—I think the first I saw was the statement made by Mr. Conger on the floor of the House that he had been requested by somebody to join some pool. I will say that I never heard of any, and that nobody ever approached me on the subject. Of course, I understood there was speculation in New York in what is called silver certificates, like any other speculation in New York, but I never heard of any speculation here. So far as I am concerned I have no knowledge, directly or indirectly, on the subject.

Q. Have you any knowledge of the purchase or holding of silver certificates by Senators or Representatives, or any other officials of the Government?—A. Nobody has ever told me they had any or anything about any. I have no reason to know anything in regard to it except the mere statement I have seen in the newspapers and the discussion which took place over the resolution.

Q. Have you any knowledge respecting the stock of silver stated to be now held in New York?—A. I know nothing except what has come from the Treasury Department and general conversation with people after the Treasury Department made the statement that there was a certain amount of silver in New York. I have never given any attention to finding out how much there was or who held it. I want to say in this connection that I never dealt in any silver, never bought an ounce of silver except in the regular way of taking coin, that I have never owned an ounce of silver in a mine and never expect to. I have no mining property with the exception of a very small interest in a claim which my brother and myself own, one-fourth interest in a small claim at Leadville which has never produced any silver and probably never will, and cost but a few hundred dollars and is one of the things we regard as worthless, although some future development may show something in it, but it has not been worked or touched for years.

By Mr. OATES:

Q. No one has ever talked to you or made you any proposition to engage in silver speculation?—A. I have never engaged in silver mines or silver speculation, and nobody has suggested to me to go into silver speculation. I have heard it stated there was a vast lobby here, but I never knew there was a vast lobby here. Of course everybody understands that for 10 years or more I have been pretty active in the pursuit of some silver legislation, based, as I have repeatedly stated, not specially and entirely upon the interests of my locality, but because I believe the whole world is interested. I do not know, gentlemen, I have anything more to say.

Q. You said something about silver certificates being issued in New York?—A. I do not know any more than I have seen in the newspapers that there is a method of speculating in silver. What it is, I do not know. I would like to say as the excuse for not knowing, that I am no speculator, and I know nothing about the method of speculation, and do not buy anything except it is something I want, and I do not know the *modus operandi* by which they speculate. I have never heard, and I would not be able to tell you. I do not understand the system by which they sell “puts” and “calls” on railroad stock. Now, the method of speculating in silver is as much unknown to me as in railroad stock.

Mr. PAYNE. Did you know there was a committee in the city ap-

pointed by the miners convention at St. Louis some time ago?—A. I know the St. Louis convention appointed a committee composed of, I think, Mr. Newlands, Mr. Warner, and Mr. Rumsey, a citizen of St. Louis, and some others.

Q. I understand you to say you have general knowledge that they were in the city?—A. I have knowledge that those gentlemen were here, that they were publishing circulars, and all that in accordance with the resolution as adopted by the convention held in St. Louis a year ago this last fall as I recollect. I do not regard them as what you would call "a lobby."

Q. I did not call them "a lobby;" I have not called it so.—A. I may say I thought their purpose was a very proper one, and I have never heard any suggestion that came from any of them but what was not perfectly proper and could not be made in the open House or Senate.

Mr. OATES. They were pursuing a similar course to that of other organizations, the committee here representing the Farmers' Alliance?—A. So I understand.

Q. And the Grangers?—A. Certainly.

Q. A good many of them?—A. I have conversed with the three gentlemen frequently as to the course of legislation, especially with reference to the question of accepting propositions as made by the Treasury Department. I have conferred frequently with them, and I have heard no intimation from them of any silver being peddled or bought of any kind. I want to say, to make my statement broader, that what I have said refers to the whole transaction of the last year and for a series of years. I have never known of a silver syndicate or pool, or effort to put up the price of silver except by legislation in a proper manner.

TESTIMONY OF SENATOR EDWARD O. WOLCOTT.

Hon. EDWARD O. WOLCOTT sworn and examined.

The CHAIRMAN. You may make any statement you desire.—A. If you will make any inquiries I will be glad to answer them.

Q. I will ask you the same questions I asked Senator Teller. Have you any knowledge of any purchase or holding of silver by any silver pool, either in the form of silver bullion itself or certificates, during the pendency of the silver legislation of last summer, or since that time?—A. I have not, and I never have heard of it.

Q. And of course you have no knowledge of any Senator or Representative or official of the Government buying any?—A. I have no knowledge at any time either before legislation or while it was pending or since of anybody being interested directly in the purchase of silver or the selling of silver or silver bullion, or silver pools or speculation in silver or anything else. I have seen the subject mentioned in some of the New York papers casually by telegrams that were sent with reference to the silver pool, but I never have heard it mentioned in the cloakroom or anywhere else. As to myself, I have not, since I have been in the Senate, speculated in silver or anything else. I wish I was as innocent as my colleague, Senator Teller, in regard to the methods of the different sorts of gambling which is carried on, as I know them to my sorrow. Since I have been in the Senate I have not been able to engage in any sport. I did not even know there was this committee here of which Mr. Teller speaks. I have not been consulted by anyone, but I suppose, as you know, you get a lot of stuff in the mails about the Conger's lard bill and Mr. Blair's Sunday rest bill and that

sort of thing—which things I never read—and I never knew where they came from. As to the production of silver, I would like to state that I am again more unfortunate than Mr. Teller in that I do own some silver mines, but they are not producing and have not produced for some time, and whatever value they have is still in the mines, and that I am therefore not interested in the production.

Q. Have you any knowledge in regard to the stock of silver said to be held in New York?—A. Nothing except what the Treasury Department says. I will state that I was very much surprised to have seen the statement which is made that there is some solid block of silver held which can be controlled, and the impression you seem to get from different speeches is that in New York in some hands there is some block of silver in the form of certificates that can be handled and controlled. It seems to me that if this is so, it would be possible to ascertain it. I will say the Senator from Nevada, Mr. Stewart, has upon the floor of the Senate on more than one occasion referred to a set of speculators in silver whom he did not want to benefit and help. It is possibly he may know something about it, but I do not know anything about it. I have no knowledge about it and never heard of such a thing.

Q. Senator Stewart has been before us this morning and has disclaimed all knowledge in regard to it.—A. Well, I suppose he was speaking generally. He was like the “robber barons” the different Senators speak of.

TESTIMONY OF CHARLES C. GLOVER.

CHARLES C. GLOVER, sworn and examined.

By the CHAIRMAN:

Q. What is your full name?—A. Charles C. Glover.

Q. And your residence?—A. Washington, D. C.

Q. And your business?—A. I am a banker; a member of the firm of Riggs & Co.

Q. Mr. Glover, have you any knowledge of the purchase of silver, either bullion itself or certificates, during the pendency of the legislation of last summer or since then?—A. I have not.

Q. And therefore you have no knowledge of any certificates having been offered, or interest in any silver pool having been offered to Representatives or Senators or officials of the Government?—A. Not the slightest knowledge of such a thing. Our house does not deal in silver or silver certificates.

Q. Neither yourself personally nor your house?—A. I have had no transaction with any Senator or any Member of the House of Representatives.

Q. You say you have had no transaction in the sale of silver certificates or pool with any Member of the House of Representatives or Senate; have you with any other persons?—A. No, sir.

Q. You have no knowledge of such a thing?—A. No, sir; no knowledge.

Q. Respecting sales of silver certificates?—A. No, sir.

Q. Have you ever stated to anyone you had knowledge respecting the matter?—A. No, sir. I only heard the common rumor on the street with reference to the silver pool; but it is the same knowledge that anybody else had, derived principally through the press and the dif-

ferent people repeating whatever they heard on the street, and no positive knowledge whatever.

By Mr. PAYNE:

Q. Has your firm had any dealing with any syndicate or association, or any other body of men who held or purchased silver bullion in New York?—A. No, sir; we never handled a dollar.

Q. I ask if there were any such dealings?—A. No, sir.

Q. Do you know of the existence of any such association or syndicate?—A. I do not.

Q. In this city or elsewhere?—A. No, sir. It is totally different from our line of business, and we never had any such connection with any one in any shape or form.

Thereupon the committee adjourned until 10 a. m., Saturday, January 24, 1891, unless called by the chairman sooner.

FIFTH DAY.

COMMITTEE ROOM, RIVERS AND HARBORS,
Friday, January 23, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 1:30, pursuant to call of the chairman, Hon. Nelson Dingley, jr., in the chair.

The CHAIRMAN. I desire to state to the committee that John J. Linney has been appointed clerk, by virtue of the authority given me by the House and the committee.

Members present, the chairman, Messrs. Payne, Rowell and Oates.

The CHAIRMAN. Mr. Littler, who was not expected until to-morrow morning, is present, and has notified me of his presence here, and he desires to be examined to-day, if the committee will hear him.

TESTIMONY OF DAVID T. LITTLER.

DAVID T. LITTLER sworn and examined.

By the CHAIRMAN:

Q. Please give your full name.—A. My name is David T. Littler.

Q. And your residence.—A. I live at Springfield, Ill.

Q. And your business.—A. I am by profession a lawyer.

Q. Did you have any knowledge of any purchase or purchases of silver bullion, or silver certificates representing bullion, by any pool, syndicate, or association, or by any individual or individuals, during the pendency of the silver legislation last summer or since that time?—A. I have knowledge of but one transaction. If you desire I will relate that.

Q. Please state it to the committee.—A. And in order that I may state all I know about this matter in chronological order, I will state that I myself, on my own account, purchased between forty and fifty thousand dollars' worth of silver some time in the early part of the summer. I can not recollect the date. I afterwards sold it. That embraced every transaction so far as I am personally concerned or personally interested in.

Q. Was the purchase of bullion, or certificates representing bullion?—A. Well, it was the purchase of silver exchange, as I remember, on

Calcutta, India. The reason I purchased the exchange was because the rates of interest in New York were larger than it required to carry the exchange.

Q. Were any gentlemen associated with you in the purchase?—A. No, sir; not in that transaction.

Q. Did you sell that bullion or the certificates to any one, or ever offer it, and if so, to whom?—A. Well, I sold it on the market; I do not know who was the purchaser.

Q. At what time did you sell it?—A. Well, it was before any legislation; that is, the purchase and sale was before any legislation was had by Congress on the subject.

Q. While the subject was pending?—A. Yes, sir; I think so.

Q. Do you not know to whom it was sold?—A. No, sir, I do not. It was bought through a house in London, by cable, and it was sold by that house, so I do not know who was the purchaser.

Q. Bought in your own name and by your own agent?—A. Yes, sir; in my own name.

Q. And sold by you?—A. By my agent.

Q. For you?—A. Yes, sir.

Q. And you do not know to whom?—A. No, for the reasons I have given.

Mr. ROWELL. Did you deal on margins?—A. Yes, sir.

By the CHAIRMAN:

Q. I take it for granted it was a deal on margins. Did you say it was in the form of exchange or certificates?—A. Well, not certificates. My friend advised me to buy exchange on Calcutta because the rates of carrying were cheaper and he said the bill of exchange of purchase would amount to the same thing as a purchase of so much silver in New York. In other words, the price of silver in New York affected the price of silver in Calcutta, and as it went up or down in New York it went up or down, as the case may be, in Calcutta and in London.

Q. Have you bought any silver or silver certificates for any Representative or Senator in Congress, either directly or indirectly?—A. Yes, sir.

Q. For whom?—A. I bought a small amount of silver for Senator Cameron.

Q. How much?—A. I do not remember the exact amount, but it was about \$100,000, as well as I now remember.

Q. At what time?—A. Well, that was some two or three weeks, perhaps, after I made the purchase on my own account, and it was pending the silver legislation, but it was before Congress had taken action upon the subject.

Q. Pending the legislation and before action had been taken by Congress?—A. Yes, sir.

Q. The date you can not give any nearer than that?—A. No, I can not. I have a distinct recollection that the silver was purchased and sold before Congress took any official action on the subject.

Q. Did you buy silver for any other Representative or Senator in Congress or any official of the Government?—A. I did not.

Q. Did you offer any to any Senator or Representative in Congress or any official of the Government?—A. I did not, sir. I want to state about Senator Cameron that he said to me one day—I had been talking with divers Senators and members and outside people about silver and I did not seek to disguise the fact that I had bought some silver, as I felt I had a right to do it, and I gave as my opinion when it was asked that I thought it was a purchase and there was money in it, and

Senator Cameron knew I had purchased some on my own account, and one day he met me and said—"I want you to buy me some silver."

Q. Well, did you bring the subject up to him or he to you?—A. Well, I do not remember, but I should say he happened to speak to me. I do not remember just how that was.

Q. Have you any remembrance of any conversation with any other Senator or Representative in Congress or any official of the Government relative to purchasing silver?—A. Well, I have talked generally, governor, with a good many people, and I would not undertake to say who I talked with or who I did not talk with. I would say, however, I never talked with anybody with a view of inducing them to purchase.

Q. Had you talked with any Senator or Representative with a view of asking them to purchase or suggesting the purchase?—A. Not at all, sir; and I only did with Senator Cameron what one friend would do with another, you know. It occurred to me there was money in it and I perhaps suggested it to him in the first instance.

Q. Was this silver purchased for Senator Cameron in the form of certificates?—A. As I remember, it was in the form of exchange on Calcutta.

Q. Where was the silver held which was purported to be sold; have you any knowledge of that?—A. None whatever.

By Mr. OATES:

Q. You bought for him precisely as for yourself?—A. Precisely.

Q. The same kind of certificates through the same men?—A. Yes, sir.

By the CHAIRMAN:

Q. The exchange did not relate to silver held in this country but elsewhere?—A. Yes, sir.

Q. Had you any conversation with other gentlemen whom you understood had bought silver or silver certificates?—A. Well, no, sir; I do not recollect I had. I do not know who bought silver; I have no personal knowledge as to anybody in Congress, except as I have related, none whatever.

Q. You say you have no knowledge on that point?—A. No.

Q. Were there any conferences in Washington or elsewhere during the pendency of that legislation within your knowledge respecting silver?—A. No, sir; not to my knowledge.

Q. Did you meet any gentlemen interested in silver or silver legislation at any hotel in this city and confer with them upon the subject, or at any other place?—A. No, sir; never.

Q. Did you notice a dispatch purporting to be an interview with you in a Chicago paper of yesterday?—A. No, sir; I have not seen the dispatch.

Q. Did you notice that part of it which states you proposed to come before the committee and give your evidence, adding, "I will rip some of the rascals up?"—A. That is characteristic language, governor. I want to say I have been very much provoked at the amount of lying that has been done so far as I am concerned, and I want to characterize in the strongest and most unequivocal terms the general statement that I have been connected with a silver pool in this city or elsewhere looking to the influencing of legislation. I pronounce it an unqualified lie in the strongest terms I am able to use.

Q. Do I understand you to say you never have made any such statement to any correspondent?—A. I may have said something of that kind, but I referred to the fellows going around the country lying about me.

Q. You had no reference to persons who had been purchasing silver or endeavoring to influence legislation?—A. No, sir; not at all.

Q. Whom do you mean by the word "rascals"?—A. I mean those people who send out, through the Associated Press and as representatives of individual papers, reports which are entirely fabricated and which have not a semblance of truth. That is the kind of people I refer to.

Q. You will see at once the dispatch purporting to be an interview with you would convey the intimation you had some knowledge of dealings in silver and of some transactions helping or influencing legislation and that you referred to them as "rascals"?—A. It was not that class of people I was referring to, for I have given you all the knowledge I have on that subject.

By Mr. PAYNE:

Q. Do you know a man named J. A. Owenby?—A. Yes, sir.

Q. Did you see him last year?—A. Yes, sir; I loaned him some money to help bury his father-in-law.

Mr. OATES. Did you ever get your money back?—A. No.

By Mr. PAYNE:

Q. Did you ever have a silver transaction with him?—A. I never had a transaction except that which was in the nature of a forced loan.

Q. Do you know anything about his being in a silver pool?—A. No, sir.

Q. You do not know anything of any silver dealings he was in?—A. No, sir.

Q. And do not know of the existence of any dealings, as I understand from your answer?—A. No, sir; and I do not believe there was such a thing or that there is such a thing as a silver pool.

Q. Could you ascertain when this transaction with Senator Cameron, when the silver was bought, occurred?—A. Could I? I think I could, but the easiest way to ascertain that is to call the Senator.

Q. But the Senator has been absent for a day or two.—A. I understand from the newspaper gentlemen that he is in his seat to-day.

Q. You could not give us the date any more definitely?—A. No, I could not.

By Mr. ROWELL:

Q. You were spending some time last year in Washington?—A. Yes, sir.

Q. Were you here in reference to legislation or in reference to pleasure?—A. I was here in reference to pleasure and private special business. I had business in the Departments here and had cases to argue and did argue them.

Q. You were not here as a lobbyist?—A. I do not think so. I never saw any members to get them to vote for any measure, particularly in connection with this silver business.

Q. Your investment was simply a speculative investment on the part of yourself?—A. On my own judgment and without the solicitation or urgency of anybody on earth that I know of.

By Mr. OATES:

Q. Did it turn out to be a good investment?—A. As I remember, general, I made between \$600 and \$700. It was less than \$800 and

more than \$600, but I do not remember the exact sum. I think, however, that about \$700 is what it netted me.

Q. How much did Senator Cameron make out of his investment?—

A. I do not know; it was comparatively a small amount and I do not remember the amount.

Q. Do I understand you to say the purchase was made and the sale made before the silver legislation?—A. Yes, sir.

Q. Do you know the character of Mr. Owenby?—A. No, sir; I do not think I am able to state. He is a comparatively new acquaintance of mine.

Q. The only silver pool you are in with him is what you loaned him, and what you never got back, for his father-in-law's burial?—A. Yes, sir. He impressed me as a clever sort of fellow and I do not wish to say anything unkind about him. He treated me very kindly. I would, however, think a little better of him if he refunded what he borrowed of me, but I have no doubt it was financial embarrassment which prevented him.

Q. Did he have any means to invest in silver speculation?—A. I do not know anything about his financial resources, except what I have already given you. He was in great distress when he came to me here. His father-in-law was a corpse in this city and he came to me and told me the situation and stated that he did not have money enough to insure him a burial and asked me to loan him the money, which I did.

Q. Has any Representative or Senator in Congress, or any other official of the Government, at any time, in any conversation with you, or written communication, made any statement that they were interested in a silver pool or in this speculation in silver?—A. Not to my knowledge.

Q. And you have no knowledge whatever of the existence of any such speculation further than you have stated?—A. No, sir; and I do not believe such a thing ever did exist either, General. Now, I saw Senator Vest testified here, in which he said that he understood me to be the head and front of this silver pool. I do not know whether he is properly quoted or not.

The CHAIRMAN. I do not think he is.

The WITNESS. If he did so testify, I want to be heard, that is all.

The CHAIRMAN. I think this is the substance of what he said. (Reading from a newspaper slip):

He said he had nothing to conceal. He stated he bought it after the legislation had passed the Senate; that David T. Littler had managed the matter for him.

The WITNESS. That is not exactly the way it was. I talked to Senator Cameron and Senator Vest, and divers other people, and my recollection of this particular transaction is that Senator Cameron came to me, and in his peculiar gruff way, one day, said: "Dave, I want you to buy me some silver." I asked how much, and he told me about \$100,000, or something of that sort, and I bought it.

Q. You say you talked with Senator Vest respecting silver?—A. I talked exactly to him as I did to Senator Cameron and other gentlemen.

Q. What other Senators or Representatives did you talk to with reference to silver?—A. I do not recollect. Perhaps Captain Rowell and other Illinois friends, and other gentlemen I am acquainted with. It was a sort of conversation which did not impress itself upon my memory, and I do not recall them, and I suppose I would not remember the one with Senator Cameron except for the actual transaction which took place.

Q. Did you say to either of those gentlemen you were going to invest

and you would aid them in any investment they might desire to make?—A. No, sir; I offered them no inducement whatever, excepting expressing my opinion that probably there would be an advance in silver.

Q. Could you give the committee the names of any other Senators or Representatives with whom you conversed in that manner?—A. No, I do not recollect at present.

By Mr. ROWELL:

Q. Do you recollect talking to me anything about silver?—A. No, sir; but I say I would be as likely to talk to you as to anybody else.

Q. In other words, you are in the habit of spending a good deal of time in Washington and talking with your friends?—A. Yes, sir; and some people have slandered me by saying I am a pretty fair talker generally.

Q. Did you sell for Senator Cameron?—A. Yes, sir.

Q. You both bought and sold?—A. Yes, sir.

By Mr. OATES:

Q. Do you know now how much Senator Cameron realized on his investment?—A. No, sir, I do not. It was a small amount; \$1,000 or \$1,500, or it might have been more, perhaps. I do not recollect.

Q. You say that you made about \$700 or \$800?—A. Yes.

The CHAIRMAN. Is there anything further?—A. No, sir; I am very much obliged to you, gentlemen.

Thereupon the committee adjourned until to-morrow (Saturday), January 24, at 10 o'clock a. m.

SIXTH DAY.

ROOM COMMITTEE ON RIVERS AND HARBORS.

Saturday, January 24, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 10 a. m., Hon. Nelson Dingley, jr., in the chair.

Present, the Chairman, Messrs. Payne, Rowell, Peel, and Oates.

The CHAIRMAN. Mr. Dorsey is here and desires to make a brief statement.

TESTIMONY OF HON. GEORGE W. E. DORSEY.

Hon. GEORGE W. E. DORSEY, sworn and examined.

By Mr. OATES:

Q. Give your full name.—A. George W. E. Dorsey.

Q. Do you know anything of the existence of what is called a silver pool, or of speculation in silver, within the last 12 months by any Representative or Senator or any officer of the United States Government in connection with others or singly?—A. I do not, sir.

Q. Do you know of any person who has engaged in buying or selling silver, or silver certificates, or silver bullion?—A. You say any person; do you mean by that any person of my acquaintance?

Q. Yes.—A. There is one gentleman of my acquaintance who showed me a silver certificate some time last summer and he stated he had

bought that. His name was Hardenburg or Hedenburg; he is a gentleman from Chicago. He was in the real estate business there for a number of years and I had some business with him a good many years ago in regard to some Nebraska land, and he came to me at the commencement of the first session of the present Congress with a bill that was a panacea for all our financial ills and wanted me to introduce the bill in the House and pass it, which bill properly belonged to the Committee on Banking and Currency, of which I am chairman. He thought it was a good bill. After he had changed and modified it at my suggestion I introduced the bill by request and laid it before the committee. Then, during this time he was talking to me in reference to this silver bill, I was told in reference to the purchase of silver certificates and he stated he had purchased some silver and showed me the certificate, how it was done.

It was issued by a trust company in New York for so many ounces of silver they had on deposit for him and it was transferable. It was the only one I had seen and, of course, being engaged in the banking business, I looked at it for information more than anything else, and he stated he had purchased several thousand ounces of silver, I think, and this was for a thousand ounces, if I mistake not. He is the only man I know of my acquaintance who ever bought or sold any silver. He is not a member of the House or an officer of the Government; he is simply a private citizen, and I believe he speculated in silver the same as thousands of men speculate in wheat, pork, or corn on the Board of Trade of Chicago; and I will say further, he telegraphed me once while the legislation was pending to know if the Committee on Coinage, Weights and Measures, or some other committee, had reported the bill, and I replied to it. That is about the extent of my connection with anybody engaged in silver dealing.

Q. Did he make any offer to you to buy silver or to engage in it?—

A. I do not think he did. He may have said silver was a good purchase and asked my views, but he never asked me to go into a deal with him.

Q. And you are not interested in any way in the purchase of silver or the sale of silver, or any representative of silver or certificates, or anything of the kind?—A. I never had an ounce of silver bullion or a silver certificate in my life, and the only silver I had was a few dollars of the coin of the country, which I managed—

Q. Have you any information of the existence of any such pool or silver speculation?—A. I have not, sir; only what I gather from the press and the talk we hear in the lobbies. I have heard scores of men say silver was a good purchase, and that now is the time to sell silver, etc. Men talk of that as they speak of buying or selling wheat, oats, or corn. I know it is customary in our town, where we have men engaged in handling corn and oats and wheat, they would say, "Now, corn is a purchase, we ought to purchase some corn now and hold it;" or, "We ought to purchase and sell wheat, or hold it, as there is going to be a shortness of crop," etc. I suppose they talked of this silver going up and down just the same way.

Q. Did any person during the pendency of the resolution which finally culminated in the appointment of this committee ever approach or say anything to you about, or express any desire to have, that thing suppressed, the resolution stopped, and no committee appointed to investigate?—A. No, sir; nobody whatever. There is nothing of that kind.

Q. So you really know nothing about this speculation?—A. I know nothing any more than any member of Congress or any man who reads

the newspapers with reference to it, I mean what would be tangible evidence.

By Mr. ROWELL:

Q. You are a banker?—A. I am.

Q. And do not hesitate to make money investments where you think you can make money?—A. I usually try to make money, but it has been going the other way lately.

Q. And would be first, as a moneyed man, to hear of speculations that were going if they were going?—A. Yes, sir; I suppose so.

Q. You are acquainted with Mr. Hedenburg?—A. Yes, sir, slightly. We had some business dealings years ago, and on the street I think he came to me at the commencement of the Congress with this bill. Mr. Hedenburg is a gentleman of respectable appearance and we had considerable correspondence with reference to this bill I referred to. He wanted me to introduce it and I introduced it at his request after he changed it. He let me look it over and I wrote him my ideas. Of course it was at a time when we were groping in the dark and wanted to know in reference to silver financial legislation, and he was one of, I should say, 50 gentlemen who had a plan which would settle all our difficulties. This bill was presented before the Committee on Banking and Currency, but it was not favorably considered by that committee, or rather it was referred to a subcommittee and it was not favorably considered. It had some meritorious provisions and others that were not so meritorious.

Q. Was he a lobbyist in the interest of silver or some other panacea to cure all ills?—A. Not to my knowledge. He seemed by his actions that he was a philanthropist instead of a speculator. He wanted to help the country, but he was a gentleman who lived in the whirl of Chicago for 30 or 40 years and I suppose wheat, oats, and corn being uncertain he thought he would try silver. He never told me he was a large purchaser; on the contrary, that he had a few thousand ounces. I did not know it was on a margin or not. A man can buy a great deal of silver if he has a few thousand dollars on a margin, I suppose.

By Mr. PEEL:

Q. When he spoke of and exhibited this silver certificate which was issued by this trust company in New York, did he say anything about the propriety of offering them to members of Congress?—A. He did not to me, no sir; he never suggested that to me or discussed that with me. I remember—I would have forgotten, but I have tried to think since I was asked to come before the committee, and see if I could shed any light on the subject—I had nearly forgotten it, I think the reason he showed me the certificate was I asked how he managed to speculate in silver, whether he would buy the bullion or deposit the money on a margin the same as is done on oats, corn, or pork, and then he showed me the certificate and he claimed that the mercantile or some other trust company held that amount of bullion which was represented by that certificate, precisely as the silver coin in the Treasury is represented by the silver greenbacks.

Mr. ROWELL. Like a warehouse receipt?—A. Yes, sir.

By Mr. PEEL:

Q. Was it in blank?—A. It was in his name like a share of stock, as I remember it now. I had it in my hand but a minute, perhaps looked it over, just simply to inform myself in reference to it. That was all. He made no proposition to me to buy, but he thought that silver being

then—I do not know the price of it, but it was very low—less than 80, I believe.

Mr. OATES. I do not think it was that low.—A. On the silver dollar, not per ounce.

By. Mr. OATES:

Q. You did not see but one certificate?—A. That is the only one I saw.

Q. Did he say whether he had any more or not?—A. He did not; no, sir.

Q. He said nothing about selling any of it to any person?—A. No, sir, he did not, and he did not offer it to me. He never offered it to me to my knowledge. He may have said to me it was a good investment, but I do not remember he stated that, for our talk was in reference to this financial bill of his. I think the bill provided for the deposit of half silver and half gold in the Treasury, to make that the basis upon which national-bank notes were to be issued. I can send the committee a copy of it if they wish it. I introduced it at his request.

STATEMENT OF E. O. LEECH.

E. O. LEECH, Director of the Mint, examined as follows:

The CHAIRMAN. Mr. Leech is here at my suggestion in order that he may give the committee a statement respecting his knowledge of the silver bullion now in sight as far as he knows. I think you have already given it to some other committee?

Mr. LEECH. No [handing paper], there is an estimate of the visible stock of silver bullion on December 1, which I made for the Secretary of the Treasury, and here is the estimate I made for January 1 of this year. Neither of them have ever been made public.

Q. The estimate of December 1 is that 11,692,360 ounces is the total, one-half of which is held by the Mercantile Safe Deposit Company, of New York; that is, it is deposited there?—A. For certificates.

Visible stock of silver December 1, 1890.

Location.	Fine ounces.
Mercantile Safe Deposit Company	6,092,360
New York banks (estimated)	2,000,000
Western refineries (estimated)	2,000,000
In California	1,250,000
In Nevada	350,000
Total	11,692,360

Q. The statement for January 1 shows that there are 12,439,625 ounces held, of which the Mercantile Safe Deposit Company, of New York, hold 6,939,625 ounces. I will pass these over just as they are to the reporter.

Visible stock of silver January 1, 1891.

Location.	Fine ounces.
Mercantile Safe Deposit Company	6,939,625
New York banks (estimated)	3,000,000
Western refineries (estimated)	1,000,000
In California	1,000,000
In Nevada	500,000
Total	12,439,625

A. Of course that estimate is a very indefinite thing and it does not claim to be perfect, but I tried to get at the visible stock as nearly as I could.

Q. Have you any knowledge as to how this silver bullion which is held by the Mercantile Safe Deposit Company is held?—A. Oh, yes. It is generally deposited by the Western refineries in silver bars and the Mercantile Safe Deposit Company issue certificates and each certificate is for a thousand ounces of silver. That certificate certifies that John Smith, for instance, has deposited 1,000 ounces of silver bullion, and it is certified by the Western National Bank of New York that they guaranty the delivery of this silver. On the back are blank indorsements by which it can be made payable to bearer, and it is listed on the stock exchange and sold as any ordinary stock or bond, each one representing 1,000 ounces of silver, and the holder of it is entitled to go to the Mercantile Safe Deposit Company and get 1,000 ounces of silver. It is done largely as a matter of convenience to the Western refineries, who do not want to offer silver on the market and take the chance of reducing the price, so they deposit it in the Safe Deposit Company and get these certificates and sell or hold them for a rise.

Mr. OATES. How long has that been the practice?—A. It started about the 1st of May, just prior to the adoption of the present silver bill.

Q. This last May?—A. Yes, sir; I think that was about the time. Was it not, Mr. Macartney?

Mr. MACARTNEY. I think they have been listed about four years.

The WITNESS. But there have never been dealings——

Mr. MACARTNEY. There were dealings, but they were very inactive. When silver was quoted very low, at 90 or 92, there was no trading at all.

The WITNESS. But they were listed at the Stock Exchange?

Mr. MACARTNEY. Yes, sir.

The WITNESS. Well, I was not aware of it. The first time it took place to my knowledge was about the 1st of May.

Mr. MACARTNEY. But actual trading in them originated about that time.

The WITNESS. Prior to that time the Western refineries offered silver to the Government and when the Government did not buy they shipped to London or sold to private parties who wanted silver.

By Mr. PAYNE:

Q. Is the statement of the Mercantile Safe Deposit Company an exact one?—A. Yes, sir; they are obliged to certify to the Stock Exchange the amount. They gave me that officially over their signature.

Q. And the other items are estimated?—A. Yes, sir.

Q. By the best information you can get?—A. Yes, sir; from my superintendents and competent persons.

By the CHAIRMAN:

Q. You have no knowledge beyond this of the ownership of these certificates?—A. No, sir; of course that would be impossible to get.

Q. I take that for granted. You understand these certificates are sold the same as warehouse certificates, on a margin?—A. They are sold like stocks and bonds.

Q. Direct and on margins?—A. Persons deal in them on margins, but of course they have to be bought and sold outright on the Stock Exchange.

By Mr. PAYNE:

Q. Do you know that certificates representing that entire amount are now out in circulation, or part of them?—A. They are all out; yes, sir.

Q. So that the owners may be legions?—A. They may be thousands.

Q. That does not show where the owners are, but it shows the company is trustee for that amount.—A. Yes, sir.

By the CHAIRMAN:

Q. Do you know what certificates are assignable without notice.—A. They are to the trustee.

Q. Therefore the Mercantile Trust Company would not know the present ownership of them?—A. No, sir; they are assigned in blank.

By Mr. OATES:

Q. Do you know of any other pool or speculations in silver which issue certificates?—A. I do not. I see by the San Francisco papers they are going to start this deposit business there, and I understand they are going to start it in Philadelphia, but I do not know they have actually issued any certificates in either place.

Q. Do you know of any Representative or Senator or officer of the United States Government that has any connection with it; any interest in speculations, etc?—A. I do not.

Q. In silver certificates?—A. I do not. I brought a list of persons who offered to sell and sold silver to the Government as I thought possibly you might want it.

By the CHAIRMAN:

Q. We would like to have that.—A. This embraces——

Q. Within what period?—A. Since the 13th of August, the passage of this new law. These are persons who have offered silver to the Government in lots of 10,000 ounces or over. We buy lots of 10,000 ounces and over three times a week by telegraph. Those marked with an "R" are the regular sellers and nearly all are representatives of western refineries. These others are those who sell an occasional lot of silver.

Q. Are any persons here from whom the Government has bought?—A. Oh yes; if they offered low enough.

By Mr. OATES:

Q. The Government has bought part of it?—A. Yes sir. All those with an "R" in front it is safe to say we have bought from as they are regular dealers. Those with 1 and 2 in front of them do not mean anything. (Examining list) Oh, yes; this means that these made 1 or 2 offers as the case may be since within that period, showing they offered a limited number of times.

Q. There is no other information bearing upon this subject of which you are in possession?—A. None whatever.

List of persons who have offered silver to the Government in lots of 10,000 ounces and over, under the act of July 14, 1890.

- 1 W. T. Moore, New York.
- C. H. Kaufman, San Francisco.
- R Consolidated Kansas City Smelting and Refining Company, New York.
- R Clark, Dodge & Co., New York.
- R Handy & Harman, New York.
- R Zimmermann & Forshay, New York.
- R Fourth National Bank, New York.
- R Boston and Colorado Smelting Company, Denver.

- R J. and W. Seligman & Co., New York.
- R Nesslage, Colgate & Co., New York.
- R American Exchange National Bank, New York.
- 2 M. Gernsheim & Co., New York.
- 1 R. L. Heath, San Francisco, Cal.
- James Walsh & Son, New York.
- M. M. Tompkins, San Francisco, Cal.
- 1 J. S. Doe, San Francisco, Cal.
- R Bank of California, San Francisco, Cal.
- R Nevada Bank, San Francisco, Cal.
- R Anglo California Bank, San Francisco, Cal.
- R Selby Smelting and Lead Company, San Francisco, Cal.
- R W. Loaiza & Co., San Francisco, Cal.
- Kohn, Popper & Co., New York.
- R Wells, Fargo & Co., New York.
- R I. & S. Wormser, New York.
- L. Von Hoffman & Co., New York.
- R Heidelberg, Ickelheimer & Co., New York.
- E. H. Pullen, cashier, National Bank of the Republic, New York.
- C. H. Peters, Carson, Nevada.
- Piza, Nephews & Co., New York.
- S. Samper & Co., New York.
- 1 Unger, Smithers & Co., New York.
- Muller, Schall & Co., New York.
- De Haven & Townsend, New York.
- National Bank of the Republic, New York.
- C. H. Stout, assistant cashier, National Bank of the Republic, New York.
- Chase National Bank, New York.
- Eureka Consolidated Mining Co., San Francisco, Cal.
- R L. A. Cole, New York
- Pennsylvania Co. for insuring lives and granting annuities, Philadelphia.
- H. N. Paul, vice president, New York.
- Thannhanser & Co., San Francisco, Cal.
- August Belmont & Co., New York.
- N. F. Torrance, New York.

TESTIMONY OF WALTER B. STEVENS—Continued.

WALTER B. STEVENS recalled and examined.

The CHAIRMAN. Mr. Stevens, the other day, was examined by the committee and gave the names of some gentlemen whom he said were given to him as having some connection with silver. Among the names he mentioned were some he now desires to withdraw, having ascertained after examining his notes, as I understand him, that he was mistaken about one of two names.

Mr. STEVENS. There was some question I wished to ask that is not at present in my mind.

The CHAIRMAN. He wishes to make some correction in some particular of the statement made when he was a witness on the stand.

Mr. OATES. I have no objection.

The WITNESS. I stated when I testified that Mr. Owenby had given me some names by whom he stated the statement, he thought, could be substantiated, and I was pressed to give the names from recollection, as I did not have my memorandum with me, and I gave two names, one Mr. Newlands and the other Mr. Parsons. Since then I have received a letter from Mr. Owenby, stating I was in error in regard to Mr. Parsons.

By Mr. PEEL:

Q. Did you examine your notes made at that time?—A. I took down some names——

Q. I understand Mr. Owenby writes that you were in error as far as Mr. Parsons was concerned?—A. Yes, sir.

Q. Have you examined your original memoranda you made to see whether or not Mr. Parsons's name appears among the names given then?—A. I do not think I have. I simply took down some names for Mr. Dingley.

Mr. PAYNE. Did Mr. Owenby give his address?—A. I might as well say 2 days after I testified that he was in Utah or Colorado I received a telegram from him saying, "My address is Hotel Richelieu, Chicago."

Mr. OATES. Did he write from that place?—A. Yes, sir; I telegraphed him if he was willing to appear before the committee and testify to answer by mail, and he sent me a letter and in that letter he makes a proposition to testify, and says I am in error in regard to Mr. Parsons.

Mr. PEEL. Did you say you received a letter in which he said he was willing to appear and testify?—A. Well, it was a proposition to appear.

The CHAIRMAN. Can you give the committee the date of the letter and telegram received?—A. I had a telegram from him Sunday night, and then I telegraphed back and the letter came, I guess, the day before yesterday or yesterday.

Mr. PAYNE. Have you any objections to giving the letter to the chairman?—A. No, sir; I will leave the letter now, if you wish. I do not think there is anything in it that he would object to.

By the CHAIRMAN:

Q. Will you leave that letter with me?—A. Well, I will give it to you after the session of the committee.

Q. Mr. Owenby seems to be willing to answer letters from other people but does not seem to be willing to answer any questions of the committee.—A. This is a proposition from him.

Q. Have you the letter with you?—A. Yes, sir; you can have it after the session of the committee, or I can give it to you now, for that matter.

Q. Then please let me have it.—A. The proposition reads as if he intended it to be public. I do not know anything about it further than that. If there is any publication made there are two or three things—the first part is personal in reference to my having testified, and I would have to explain that.

Mr. PAYNE. Do you know his present address?

A. I know nothing about that. He speaks of using his name as an authority and willing to substantiate what he told me. Now, in regard to what he says about using his name, I would like to say before he went away there was some talk about being an investigation, and he said: "Well, if you preserve my confidence until the 1st of January, I will not ask you to after that; I do not care then, and I am perfectly willing to be known as telling this."

The CHAIRMAN. Here is a list of names.

A. These are most of the names he gave me. He made some explanation in regard to some of them.

Q. What did he say respecting these persons?—A. He mentioned one firm here which I think he said had charge of what he called the "Colorado pool."

Q. Will you please indicate which firm it is that he said had the Colorado pool? Will you leave the telegram received, also, with the committee?—A. I will get it, as I do not think I have it with me.

Q. If you have, please hand it to me.—A. I am willing to say this, that I do not care to leave it, as there is something I do not know what it refers to.

Mr. PAYNE. This is the first time you have mentioned either the telegram or letter to the committee?—A. Yes, sir; I showed them to Mr. Dockery.

By the CHAIRMAN:

Q. But you showed it to no member before?—A. No, sir; I did not.

Q. This is dated January the 18th?—A. That I would like to keep, because I do not know what the last part refers to.

Q. There is nothing in this, I believe, but what is in the letter. When did you receive that telegram?—A. This was either Sunday night or Monday. I think it was about 2 days after I had testified.

Q. You said nothing to any member of the committee about receiving this until this minute?—A. No, sir.

Q. When did you receive the letter which has been passed to the committee?—A. I think that was day before yesterday, but I am not positive about that.

Q. And you have stated nothing to any member of the committee about receiving the letter until this minute?—A. No, sir; I read it to Mr. Dockery, and he suggested that I withhold it a little while.

Q. You read this to Mr. Dockery, who suggested that you withhold it?—A. Yes, sir.

Q. Have you obtained any further information respecting this matter since your examination by the committee?—A. In regard to Mr. Owenby, these are all the communications I have.

Q. Have you any knowledge further than you testified the other day?—A. In regard to his whereabouts?

Q. First as to his whereabouts?—A. No, sir; that is all the information.

Q. Next, respecting the subject matter upon which you were examined the other day, have you any additional information which you have received since then?—A. Nothing except statements that have been made to me.

Q. Statements by any persons who have bought silver certificates?—A. I think not.

Q. Are you sure on that point?—A. Yes, sir; I think I have nothing that can be considered anything more than what the committee would call hearsay and perhaps rule out.

By Mr. PEEL:

Q. Have you had the statement of any Senator or member of the House or any other official of the Government in regard to their purchasing or dealing in silver?—A. No, sir; I think not.

Q. Or in regard to any persons having purchased for them?—A. I do not recollect any.

TESTIMONY OF H. B. PARSONS.

H. B. PARSONS, sworn and examined.

By the CHAIRMAN:

Q. Please give your full name.—A. I have given it to the stenographer, H. B. Parsons.

Q. And your residence is New York?—A. Brooklyn.

Q. What is your business?—A. I am agent for Wells, Fargo & Co.

Q. Is part of their business dealing in silver bullion?—A. In selling it; yes, sir.

Q. Selling silver bullion on your own account?—A. No, sir; on commission.

Q. Have you any knowledge of the purchase of silver bullion or of certificates representing silver bullion by any pool, syndicate, or association, individual or individuals, pending the silver legislation of last summer or since that time?—A. That is rather a sweeping inventory. If you mean by associations, a business house——

Q. Will you state to the committee any knowledge you have?—A. We have sold from day to day, probably every business day for many years, silver bullion to business houses.

Q. Have you sold any silver bullion or bought any silver bullion?—A. We do not buy it.

Q. Or sold, if you sell entirely, to any Representative or Senator in Congress or any official of the Government, directly or indirectly, except that the Government itself has bought for its own uses?—A. No sir.

Q. Have you any knowledge of the sale of silver bullion to any Senator or Representative in Congress or any official of the Government, either directly or indirectly?—A. None whatever.

Q. Have you any knowledge of any having been bought and held by any Senator, Representative, or official of the Government?—A. None whatever.

Q. Have you any knowledge of the present amount of silver bullion held in the city of New York?—A. Any accurate knowledge?

Q. About.—A. I have an opinion; that is all.

Q. About how much, in your opinion?—A. In my opinion?

Q. Yes, as you are connected with that business and your opinion is likely to be quite accurate in the matter.—A. I think there are about 8 or 10 million ounces being carried in New York.

Q. In New York alone?—A. Yes, sir.

Q. Have you any opinion respecting the amount that is carried in other cities in the country and other business interests besides the 8 millions in New York?—A. I will say I have hardly an opinion, but it is my impression; my impression is there is no considerable amount outside of New York.

Q. Can you state to the committee about how this is held in New York, the stock that is supposed to be there?—A. About 6 millions of it is represented by silver certificates, the bullion for which is held by the trust companies. Between 2 and 4 millions outside of that is in the hands of banking houses.

Q. Private banking houses or national banks.—A. I think both.

Q. That bullion that is in the hands of the trust companies is being sold on the market in the form of certificates?—A. Yes, sir; that is, for the most part. The trust companies in addition to that represented by certificates hold more or less, not any very great amount, on storage, for which they issue warehouse receipts.

Q. And the warehouse receipts and the certificates are two different modes of dealing?—A. Yes sir.

By Mr. PAYNE:

Q. Do you know Mr. James A. Owenby?—A. I know him a little; yes, sir.

Q. Have you ever had any dealing in silver with him?—A. No, sir.

Q. Transactions or dealings in silver in any way?—A. No, sir.

Q. Do you know Mr. David T. Littler?—A. No, sir.

Q. Have you had any dealings with him in silver?—A. No, sir.

Q. Or in any way?—A. No, sir,

Q. You say that your company sells silver but does not buy it. I suppose it is consigned to you?—A. For sale.

Q. And you sell for the mine owners in the West?—A. Yes, sir.

By Mr. ROWELL:

Q. Do you know, outside of the ordinary business houses to which you sell, an organization or any combination of men since the passage of silver legislation in Congress for the purpose of controlling the amount of silver bullion and buying it?—A. I have no knowledge of any such organization or company.

Q. Do you know whether in Washington since 12 months ago there has been any organization for the purpose of buying silver bullion or silver certificates?—A. No, sir.

Q. Do you know of any organization for the purpose of influencing in any way silver legislation?—A. I have no personal knowledge, nothing beyond what I see in the newspapers.

Q. That is common to all of us.

By Mr. OATES:

Q. What do you know of Mr. Owenby? You have some brief history of him and acquaintance with him?—A. I know very little of him. He has been accustomed for several years, when in New York, to frequent our office, and in that way I became slightly acquainted with him and saw him, and from him I learned that he was connected at one time and another with various mining enterprises as a mining expert. I have never had any business with him, beyond sometimes cashing a check or something of that kind, in the course of banking business.

Q. Have you ever known him as a dealer in silver?—A. I have heard from him that he had interest in some dealings in silver.

Q. How long since?—A. Oh, it is within 3 or 4 months, I should think. I did not understand from him that he had any moneyed interest in it.

Q. What connection did he say he had with the interest?—A. He said he had an interest which was given to him in consideration of information which he furnished.

Q. To whom?—A. The people with whom he was associated. I do not know who they were.

Q. What did he mean by that—what sort of an association did he explain to you?—A. I do not know. I did not ask him any particulars.

Q. You did not know, then, just what he referred to?—A. No, sir; I did not. I did not know what any of the details were.

Q. He did not tell you with whom he was associated?—A. No, sir; beyond this, I think he did say that one was a cashier of one of the New York banks.

Q. But he did not explain to you just what it was?—A. Nothing further than that. He said he was to have an interest—I do not remember now what it was—but he was to have a share of the profits of a transaction in silver by some bank cashier in New York in consideration of information which he would supply. That was the purport of what he said to me.

Q. Did he say he had realized, or how did it come about?—A. Well, the last information he gave me on this head was that the party he was dealing with had repudiated his interest.

Q. He was complaining then to you?—A. Yes.

Q. The cashier did not comply with his agreement?—A. No.

Q. And he did not otherwise explain to you what it was nor the extent of it?—A. No, sir.

By the CHAIRMAN:

Q. Did you get the idea from what he said it was information about legislation, the progress of it, that he was to furnish?—A. I do not know that I did. I got the idea from him that he claimed to be on intimate terms with prominent gentlemen connected with Congress and from them he was in receipt of inside information.

Q. Did he give the names of any Congressmen with whom he claimed to be on intimate relations?—A. I do not think that he did.

Q. Who was this cashier; what was his name?—A. I do not know.

Q. Did he not state to you his name?—A. I think he did, but I do not know as to the name. With regard to the matter, I paid very little attention to it.

Q. Did you know of what bank?—A. Yes, sir.

Q. What was the bank?—A. It was the Hanover Bank.

Q. The Hanover National Bank, of New York?—A. Yes, sir.

By Mr. OATES:

Q. You say you paid very little attention to what he told you; why?—A. Well, I should prefer not to state.

Q. Want of good faith in the statement or just because it did not interest you?—A. Well, I do not like to give any man a bad character.

Mr. ROWELL. I would suggest that until that man testifies it would be better to leave his character alone.

Mr. OATES. Well, he ought to come here and testify.

By Mr. PEEL:

Q. Did you learn what was the character of the information he was to give? I believe you stated he was to have an interest for such information he was to furnish?—A. No, sir; general information, I inferred.

Q. Was that information in regard to the prospect of silver legislation?—A. I presume that was it, indications as to what the result of legislation would be.

Q. And he professed to be on the inside in regard to obtaining that information?—A. He claimed to have close sources of information.

Q. Has this gentleman, Mr. Owenby, ever been in the employ of Wells, Fargo & Co. in regard to representing them in selling silver or any other business of that character?—A. No, sir; never.

By Mr. PAYNE:

Q. Did he say that anybody else besides the cashier of this bank was interested in that silver information, whether there were others interested with him?—A. No, I think not; I did not hear any other name.

Q. When was it that he complained to you that the cashier had repudiated him?—A. That was not long ago, a few weeks ago.

Q. He did not call him a robber or say he had been robbed in the transaction?—A. He spoke of his treatment in very denunciatory terms.

Q. When he told you about this deal in the first place, or at any time, did he in that connection make a suggestion or anything about members of Congress being drawn into it?—A. No, sir.

Q. Or that there was any object or design to draw members of Congress into it to assist in influencing their action with regard to legislation?—A. No, sir; there was no intimation that any member of Congress had anything to do with the transaction.

Q. He never at any time claimed that any member of Congress had anything to do with it, but it was a private transaction between him and this bank cashier?—A. Yes, sir.

Q. And the nature of the information was to be the progress, or the probable progress, of silver legislation; that was what he was to furnish?—A. Yes, sir; he was to furnish information with regard to the status of the question.

Q. Have you given now all that he substantially said with reference to that deal?—A. Well, I would not like to say yes, although I think I have given the substance of what he stated.

Q. Did he at any time tell you about any other deal he had in silver or any transaction he had in silver?—A. No, sir; I do not remember any other.

TESTIMONY OF J. W. MACARTNEY.

J. W. MACARTNEY, sworn and examined.

By the CHAIRMAN:

Q. Your full name?—A. I gave it to the stenographer.

Q. Your business and residence?—A. My business is banking and brokerage business, 1419 F street, and I live at 1712 Connecticut avenue.

Q. What is the firm?—A. Corson & Macartney.

Q. Are you dealing in silver or silver certificates?—A. Yes, sir; a great many of them at various times; that is, silver certificates. As I before stated to the committee they have been listed on the exchange for several years. At times there is great activity in dealing in them and you could not call, I should suppose, one out of the 1,100 members of the New York Stock Exchange who has not bought or sold these certificates.

Q. How long have they been listed?—A. I think about 4 years, or probably a little longer. I think that they were listed soon after the Western National Bank was established. It was a scheme that originated with Mr. Jordan of having the Western National Bank deposit this bullion and be the registrar of this bullion, and the Mercantile Trust Company (which is Gould and Sage's trust company) issue certificates against them the same as warehouse receipts.

Q. Do you deal in anything but the certificates?—A. No, sir.

Q. Not even the warehouse receipts?—A. No, sir; I merely mention these certificates as being like warehouse receipts, representing so much storage.

Q. Have you, during the pendency of the silver legislation of last summer, or since that time, sold any silver certificates to Senators or Representatives or officials of the Government?—A. No, sir.

Q. Have you sold to anyone to be held for Senators or Representatives or officials of the Government?—A. Not to any one that I know of.

Q. Did you notice an interview with you in the New York World of yesterday?—A. Not of yesterday.

Q. Or the day before?—A. The day before.

Q. In which you were reported as stating you had sold only to two or three Congressmen?—A. No, sir; I did not state that. If you look at that interview you will find it does not state that. I stated two or three members of Congress had accounts in our office and they might have had a little silver at various times, no large amounts, but so far as I know, I have looked the matter over and I can not find any silver in any of their accounts. One account is simply a deposit account, and another is an account of railroad bonds.

Q. So that you are able now to swear that no Senator or Represent

ative or official of the Government has during the past year bought silver or silver certificates from you?—A. No, sir; they have not.

Q. Nor that they have been bought, as far as you know?—A. No, sir; we never had a pool in our office; did not organize a syndicate, or anything of the kind. These individuals who bought silver were people who had no connection with the Government, so far as I know, and they are simply speculating the same as people speculate in railroad stock. It is our business to buy and sell anything in the world for anybody that will pay for it, and under those circumstances we have bought silver certificates. As I stated to you, they are entirely for private people, and I do not know why they bought—yes, I know why they bought, because they expected to make money out of them—but what the underlying reason they were bought at the time I do not know.

By Mr. OATES:

Q. You are a stock broker, and it is your business to buy and sell for men?—A. Yes, sir; anything for anybody, that is my business. These certificates, there are 7,300,000 ounces represented as deposited in the Mercantile Trust Company, and each certificate represents 1,000 ounces issued against that deposit, and they are treated in the same way as anything else. You will find by the newspaper reports that sometimes as high as \$1,000,000 worth will be traded on in a day; that is, between brokers representing their customers.

Q. Have you any knowledge of any pool, syndicate, or association of individuals having been formed to purchase silver on a margin?—A. No, sir; I never heard of it outside of the newspapers.

Q. Have you any knowledge of any combination or association or organization here or elsewhere designed to further silver legislation?—A. None whatever, nothing beyond the talk of the newspapers and the current rumor in Wall street that is always going on there without any particular reason. I do not think there is a silver pool outside of the newspapers. I have been a member of the stock exchange for several years and we do a very large business, sometimes four or five million dollars' worth of securities will go through our office in a week, and I am intimate with a great many leading men there, and if there had been a silver pool I think I would have known of it and I think I would have had a share of the business if there had been a silver pool, and I would have liked to have had it if there had been; but I do not think there is one outside of the newspapers.

Now, there is an article in one of the Wall street newspapers this morning which professes to give information about a silver pool. I have it in my pocket and I will give it to the committee if they want it. These Wall street newspapers are gotten up by people you can buy body and soul for \$2. They are the only people who knew anything about the Baring failure and important matters of that kind. There was nobody in New York who knew about the Baring failure except these newspapers I speak of and a few traders who live in Bleeker street and up alleys. People like Drexel, Morgan & Co. and Morton, Rose, & Co. did not know anything about it, but these people knew all about it just as they know all about this silver pool. Everyone on Wall street had an idea there was going to be financial legislation in the way of silver and everybody thought it was going to put the price up and everybody nearly bought, as they had a perfect right to do.

Q. You have no knowledge of the persons now holding these certificates?—A. No, sir; I think we have about \$200,000 in our office and those are all I know of.

Q. Are those held by any Senator or Representative in Congress or any official of the Government?—A. No, sir; none of them at all. They are held by private parties. No one can tell beyond his own office where they are. Of course they never pay a dividend and there is no object in having them transferred to the parties named, and the trust companies themselves do not know where they are. They are indorsed in blank.

By the CHAIRMAN:

Q. So these trust companies themselves could not tell where the ownership lies?—A. No, sir; they could not tell to-day where any are. They hold the silver, but they do not know who owns it.

By Mr. ROWELL:

Q. As parties hold warehouse receipts on corn, pork, etc.?—A. Yes, sir; precisely the same.

Q. They are sold in the stock exchange and sold in the street?—A. No, sir; they are only sold on the stock exchange, and I do not think they are traded in outside of the exchange, because the stock exchange does not sanction or bind its members to any trade made outside of the exchange. Each trade made would be represented in the published list of the stock exchange.

Q. Is that same system of trading in silver carried on in London as in New York?—A. I am not very familiar with their way of trading, but I understand it is by India rupee paper, which is exchange on Calcutta. It is a cheaper way of trading in silver than we have here. Buying certificates here costs the man who buys it 6 per cent. interest on the money that it takes to pay for them, and in addition to that, he has to pay storage to the trust company, which is about \$6 a month on 10,000 ounces; so it costs us about 7 per cent. a year to carry silver certificates. That is, if a man bought to day at 104, that would have to be sold at 111 next year before he would be even, because they never pay dividends. So far as my observation goes of people who have traded in silver in my office they have all lost money. Anything that costs 7 per cent. a year and never pays a dividend, is too much for anybody.

Mr. PAYNE. How about the Calcutta paper?—A. I think the rupee paper bears some interest that is an offset against the money invested, but I am not certain of it, as I am not very familiar with the trading on the London exchange.

By the CHAIRMAN:

Q. Is that rupee paper sold to some extent in this country?—A. I think not. I think you can only buy through foreign banking houses, if you trade in it here at all. You have to get one of the banking houses to cable to the London house to buy it.

By Mr. OATES:

Q. From your experience as a member of the stock exchange and knowledge of dealings in stock in New York, is there any confidence to be placed in articles like that in newspapers of this character (referring to Daily Stockholder, January 24)?—A. Well, my judgment is there is not to be any reliance to be placed in them.

Mr. PEEL. Are you acquainted with Mr. Owenby, spoken of here?—A. No, sir; I never saw him and do not know him.

Mr. OATES. You characterized it as a "Wall street paper."—A. I should say that it was gotten up by some organization on the street to put down the price of silver.

By Mr. PEEL:

Q. Do you know of any person handling this silver during the pendency of the legislation for the purpose of placing it in the hands of Congressmen or Senators?—A. No, sir; I do not.

Q. Do you know of any enterprise of that sort?—A. No, sir; I am not connected with any at all.

By the CHAIRMAN:

Q. Do you know Mr. Hedenberg, of Chicago?—A. No, sir.

Q. You never met him?—A. No, sir; I do not know him at all.

Thereupon the committee adjourned until Monday afternoon, the time to be fixed by the Chairman.

SEVENTH DAY.

ROOM COMMITTEE ON RIVERS AND HARBORS,
Monday January 26, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met 1:15, p. m., Hon. Nelson Dingley, jr., in the chair.

Present, the Chairman, Messrs. Payne, Rowell, Peel, and Oates.

Mr. OATES. I would ask that Mr. Stevens be recalled, as I think the committee misunderstood an answer of Mr. Stevens in regard to that letter.

TESTIMONY OF WALTER B. STEVENS—Continued.

WALTER B. STEVENS, recalled and examined.

By Mr. OATES:

Q. In your testimony I understood you to say you had only shown that letter from Mr. Owenby to Mr. Dockery and he requested you to withhold it. What did I understand you to mean by that?—A. I brought the letter up on Friday morning, thinking there was to be a meeting of the committee at 10 o'clock. When I got here I found I was mistaken, and before going down town I went on the floor and saw Mr. Dockery there and showed him the letter, which he read, and I asked him if I had not better publish it, and I think he said, "You had better withhold it for a while."

The CHAIRMAN. Your reference was to the publication of the letter, not to withholding it from anyone else; you do not state that there was any idea of withholding it from the committee?—A. I had no intention of withholding it from the committee.

Mr. OATES. Your understanding, then, of his meaning was he meant that you should withhold it from publication and not from the committee. You did not understand that his meaning was to suppress it, or anything of that kind, but simply to withhold it from publication?—A. Yes, sir; that was all.

The CHAIRMAN. I will say I had a little conversation with Mr. Dockery about it, and I am sure that is all he understood you to mean, that you thought you should give it to the press, and he suggested, and very properly, too, that you withhold it.

The WITNESS. After you had asked the question about showing it to

Mr. Dockery, and I took my seat, I suggested to you before the session was over that probably you had got a wrong impression about it.

The CHAIRMAN. I did not understand you to make such an explanation, believing you referred to some other matter.

TESTIMONY OF JOHN R. TANNER.

JOHN R. TANNER, sworn and examined.

By the CHAIRMAN:

Q. Give us your full name.—A. John R.

Q. Residence?—A. Louisville, Ill.

Q. Have you knowledge of any purchase or ownership of silver bullion, or of certificates representing silver bullion, pending silver legislation of last summer or since that time?—A. I have personal knowledge of one transaction only.

Q. Will you state to the committee what that is?—A. That was an individual purchase of my own.

Q. At what time?—A. It was some time in May or June. I do not remember the exact time.

Q. That was pending the silver legislation of last summer?—A. I think it was probably after the bill had passed the Senate before action—

Q. After it passed the Senate?—A. But before action and report of the conference committee.

Q. Did you buy that silver here?—A. Yes, sir.

Q. Of whom did you buy it?—A. I bought it—no, I did not buy it here, but I was here when I bought it.

Q. You gave the order here?—A. I bought it in New York.

Q. You were personally in New York and bought it?—A. No, sir.

Q. You bought it from here by telegraph?—A. Yes, sir.

Q. Through a broker in this city?—A. Through a broker in New York, S. V. White & Co.

Q. Do you remember what you paid for it at that time?—A. If the Committee please, it seems that only concerns me personally.

Q. I will ask you, then, another question if you have some question respecting that. You were in Washington about the time you made the purchase of silver?—A. Yes, sir.

Q. Were you here in the interest of furthering the silver legislation?—A. I was here visiting my daughter, who was attending school at that time at Mt. Vernon University. I had no interest in any legislation, silver or other legislation, pending before Congress and never had. I visited my daughter until the close of the school and then I took her away.

Q. Did you have any personal conversation on the subject of silver legislation with Senators or members of Congress?—A. I had no conversation. I heard it discussed in the hotels.

Q. Publicly?—A. Yes, sir.

Q. But you had no conferences with any Senator or Representative with respect to silver legislation?—A. None whatever.

Q. Have you any knowledge of the purchase of any silver, either in the form of certificates or bullion, either by or in the interest of any Senator or Representative or official of the Government?—A. I have no personal knowledge of any purchase. By hearsay, you might say, I had knowledge of two transactions, which transactions have been

already explained before this committee by Mr. Littler; that is, of his own and the purchase for Mr. Cameron.

Q. You had no other knowledge of any Senator or Representative so interested?—A. No, sir; neither by personal knowledge or hearsay, except what I have seen in the papers along since that time.

By Mr. PAYNE:

Q. No information?—A. None whatever.

Q. You say you purchased this silver on your own account?—A. Yes, sir.

Q. Did you have any conversation with anybody with reference to its purchase, any conversation here?—A. Not except in a general way. I did not have any conversation with relation to my purchase except with Mr. Littler. I first attempted to purchase through Mr. Littler and he went over to New York, and as I remember now I sent my personal check for the margin to him with instructions to make the purchase. He returned it and reported there was none for sale that particular day at the market. Then I sent my check and order to S. V. White & Co.

Q. Do you know whether at the time you made your purchase Mr. Littler had made his purchase?—A. I think he had already made his purchase at the time.

Q. Do you know whether Senator Cameron's purchase was made at that time?—A. I think it was made about that time.

Q. When was this new purchase?—A. My recollection is now after the bill had passed the Senate and it was pending——

Q. You recollect the bill had passed the Senate?—A. Yes, sir; that is my recollection.

Q. How long were you in Washington at that time?—A. Perhaps 4 or 5 weeks.

Q. Visiting your daughter all that time?—A. Yes, sir.

Q. Did you have any conversation with anyone with reference to silver legislation?—A. I heard the matter discussed, but I can not say I had any conversation.

Q. Did you discuss it?—A. I do not remember that I discussed it.

Q. Do not remember you ever said anything about it?—A. No, I do not call to mind that I did.

Q. Was it the early part of your visit or the latter part of your visit you bought this silver?—A. It was early, when I first came on to Washington, that I bought it.

Q. And the fact that you had purchased silver did not tend to prolong your visit?—A. No, sir; I did not close out the silver until long after I went home, not until July or August, the last of July or the 1st of August.

Q. Was it after the bill became a law?—A. When I closed out my silver, yes, sir.

Q. After the bill had been approved by the President that you sold your silver out?—A. Yes, sir.

Q. And after you had gone home?—A. Long after I had gone home.

Q. What was the condition of the legislation when you left Washington; where was the bill then?—A. If my recollection serves me right it was before the conference committee when I left Washington. I do not think the bill had been acted upon.

Q. Do you know James A. Owenby?—A. No, sir.

Q. Were you formerly State treasurer of Illinois?—A. Once.

Mr. ROWELL. Was it not twice?—A. Only one time. I never met

Mr. Owenby that I remember of and never heard of him until I read of him in the newspapers, since this investigation began.

By Mr. PAYNE:

Q. Did you have any dealings with him in any way in silver?—A. No, sir; I never heard of him, as I said, and I could not have had any dealings with him.

Q. Did you have any dealing with anybody in reference to this purchase of silver besides S. V. White & Co.?—A. No, sir.

Q. In any way?—A. No, sir.

Q. Did you ever talk with anybody except Mr. Littler before you purchased it?—A. I may have talked with a great many people.

Q. I mean, did you talk about engaging in the purchase of silver with any other parties than Mr. Littler and White & Co.—A. Yes; I made an attempt to purchase, before I sent over by Mr. Littler, through Maxwell & Graves, of New York City.

Q. What is their business?—A. They formerly had been in the brokerage business, but they are in the general commission business now, and they returned me my check, stating they had gone out of the brokerage business.

Q. Was the purchase you made certificates issued by the Mercantile Trust Company?—A. Yes, sir.

Q. And those, I suppose, you left on deposit with White & Co. to secure them upon the balance of the purchase?—A. Yes, sir.

Q. How much margin for 1,000 ounces were you required to put up?—A. Unless the committee insist upon my answering that question, I decline to answer.

Q. I am not tenacious about it.

The WITNESS. I think that only concerns me individually.

Q. It is more to get at the custom than anything else that I asked the question. I want to find out how much margin is required, not how much you purchased.—A. I will answer the question. I put up \$5,000 as a margin upon 100,000 purchase.

Q. One hundred thousand dollars or ounces?—A. One hundred thousand ounces.

Q. That is, these certificates were for 1,000 ounces each?—A. Yes, sir.

Q. You say this transaction was entirely for yourself, and nobody else interested in it in any way?—A. No other person had any interest in it directly or indirectly.

By Mr. ROWELL:

Q. You as State treasurer had frequent dealings with banks in New York?—A. Yes, sir; I spent the first three weeks regularly of January and July of each year in New York City paying the interest upon the State's municipal indebtedness.

Q. The municipal indebtedness of Illinois is all paid through the State treasurer?—A. We have a system of registered indebtedness in our State which is made payable to the State treasurer, and then that is made payable in the city of New York by him in the first three weeks of January and July of each year.

Q. Hence, the State treasurer has to spend that time in New York to make this payment?—A. Yes, sir.

Q. You became well acquainted with bankers and brokers of New York?—A. Fairly so, at least by reputation.

Q. Now, I am going to get you to state whether any Senator or any member of Congress had any conversation with you with regard to the

purchase of silver on their own behalf or in which they were to have any interest during the pendency of silver legislation?—A. Not a single individual; not a man belonging to Congress.

Q. I will ask you if at any time you have had any interest in Congressional legislation or took any interest in the way of urging it upon members?—A. I never had any interest in any measure pending before Congress, except the general interest of an American citizen.

Q. Did you in any way attempt through any members to exercise any influence upon silver legislation in Congress?—A. I certainly did not favor the passage of the bill, for I was opposed to it.

By Mr. OATES:

Q. You were opposed to which bill, Mr. Tanner, there are two, the Senate bill and the House bill?—A. I was opposed to the free coinage measure or anything looking towards it.

Q. Opposed to the House bill because it went a little in that direction?—A. Yes, sir.

Q. What was your opinion—if there was silver legislation that it would enhance the value of silver?—A. That it would temporarily enhance the value of silver, because public sentiment was turned in that direction.

Q. That would have been in your interest after you became a purchaser?—A. After I became a purchaser it would, yet at the same time I do not claim that I had any interest in any measure pending before Congress.

Q. And you are opposed to the legislation?—A. Yes, sir.

Q. Did you have at any time or have you now any knowledge or information of the existence of a silver pool or that there are persons engaged in the speculation of silver other than you have already stated?—A. I have not. I never heard of a silver pool until I read it in the Missouri Globe Democrat.

Q. And 100,000 ounces was the amount of your purchase?—A. Yes, sir.

Q. Do you hold any office under the Government of the United States?—A. I do not. I am a private citizen, and I was at the time. I neither hold any office under the State or Federal administration.

Q. I will ask you as a mere matter of curiosity and you can answer it or not—I do not see but you had the right to buy silver as well as anything else—if you did not make money out of your purchase?—A. I had the same right, I claim, to buy silver as I had to buy wheat or anything else.

Q. Did you make a good thing of it?—A. I lost no clear money.

Mr. PEEL. During your stay in Washington, or at any time during the pendency of this silver legislation, did any person ever approach you in regard to forming a pool in which members of Congress or Senators should be interested in any way, directly or indirectly?—A. No one.

Q. So you have no knowledge, either of your own or from others, that anything of the kind was in existence or attempted to be put in existence?—A. No, sir; I never heard of it.

Mr. OATES. Do you know Mr. Hedenburg?—A. I never heard of him until I saw his name in the papers. I see he talks very nicely in his interview.

TESTIMONY OF SENATOR J. D. CAMERON.

Senator J. D. CAMERON, sworn and examined.

By the CHAIRMAN:

Q. You probably have seen the report of the testimony given by Senator Vest and by Mr. Littler in which your name has been referred to. If you have any statement that you desire to make you are at liberty to do so.—A. Nothing, except that I have no concealment to make of my having purchased silver through Mr. Littler, and his testimony is correct so far as I read it in the newspaper. I bought the silver just as I would buy any other commodity without any reference to any vote I was to give or had given. I purchased it without much thought and I bought it as I would buy anything else, as it was perfectly well understood what my position was in regard to the silver question. Everybody who was intimate with me and a great many friends knew what my feelings upon this subject have been and know that they have been the same since I have been in Congress and that I have always voted for silver. I thought I had a perfect right to deal in that article as I would deal in wheat, corn, oats, or anything else. I believe that is all I have to say unless you gentlemen wish to ask me some questions.

Q. What time did you take to purchase this silver?—A. I can not give the date exactly because I never made any memorandum, but my impression is it was the early part of June.

Q. That is before silver legislation in Congress?—A. Yes, sir. I think I directed him before the vote was taken upon the silver bill to sell, but whether it was sold before or not, I do not recollect.

Q. What was the amount of your purchase?—A. About \$100,000, I believe.

Q. Upon margin?—A. Yes, sir; I gave him a check for the margin.

Q. What was the amount of the margin?—A. I think about \$8,000.

Q. It was bought and sold by your direction by him?—A. Yes, sir; I had nothing whatever to do with the transaction.

Q. What time was it you sold?—A. I told him to sell very soon after it was bought, probably two weeks or ten days, but my recollection is I did not get any returns for some time. The silver, it seems, was bought in Calcutta, so I am informed, by Mr. Littler. I see he stated that in his testimony here.

Q. Do you remember what the price paid was?—A. I can remember about what profit I made.

Q. About what?—A. About \$1,100. It went up very much after the passage of the bill, but mine was sold out before there was any great rise in it, a trifling one, possibly $1\frac{1}{4}$ per cent after paying commission.

Q. Have you any knowledge of any Senator or Representative or any official of the Government buying silver or certificates or having any interest directly or indirectly in the purchase of silver?—A. No, sir.

Q. Has any Senator or Representative or any official of the Government ever told you he had purchased silver or had an interest in it?—A. I have no recollection of anyone telling me so. I made no concealment about my having purchased it, but I never heard of anyone else that I can recollect.

Q. That is the only interest you have had in silver?—A. Yes, sir; that is all.

Q. During the past year?—A. Yes, sir.

By Mr. PAYNE:

Q. Can you remember at what stage this bill was at the time you bought the silver?—A. No; I can not recollect that.

Q. Or where it was when you gave Mr. Littler directions to sell?—A. I do not know about the stage of the bill, but the bill had not passed.

Q. Had not passed the Senate?—A. Had not become a law. I do not remember the date because I kept no memorandum.

Q. The bill was first a free-coinage measure from the Senate?—A. Yes.

Q. It had not become a law when you sold the silver? A. No, it was a very short time after I made the purchase that I told him to make the sale.

Q. You do not recollect whether it had reached even a disagreement between the two Houses?—A. No; I do not think it had, but I would not swear to it because I did not keep a memorandum of the date.

The CHAIRMAN. Could you give us the date of the purchase; you said you had no memorandum?—A. No; I have not a memorandum. I know it was the early part of June and I paid \$8,000; that is about all that I know about the transaction.

By Mr. PAYNE:

Q. Do you know Mr. James A. Owenby?—A. I never heard of him at all.

Q. You never had any transactions with him?—A. No.

Q. Do you know of the existence of anything like a silver pool?—A. I never heard of such a thing until within a month or two, and I do not believe anybody else did.

By Mr. ROWELL:

Q. You are acquainted with Mr. Littler?—A. Yes; I have known him for several years. He was a friend of my friend Senator Farwell and in that way I came to know him quite intimately.

Q. You gave him no order except verbally, no written order?—A. No, sir.

Q. You just simply gave him a check?—A. Yes, sir; he must have told me he had been buying silver, but I can not recollect the conversation. I said on the spur of the moment "Go and buy me some," and I concluded to sell it, and told him to sell it.

Q. You are in the habit of making deals when you think there is any money in it?—A. I take the chances when I think I can make money. I buy real estate and almost anything when I happen to have the money to buy it and am in a condition to buy it, and my action on the silver bill was like my action on the tariff bill. I should vote on matters on which I was interested in the tariff bill without any compunctions. In regard to national banks, I will say I am interested in national banks, and I would not have hesitated to vote on legislation connected with them.

Q. Was there any talk between you and other Senators or Representatives about any silver pool?—A. Oh, no, sir; I never heard of such a thing.

Q. This was bought for you individually and no connection with any other Senator?—A. No, sir.

By Mr. OATES:

Q. You stated that you made the purchase of silver just as you would anything else you thought there was speculation in. Are you in the habit of buying on a margin grain, or futures, or stock?—A. Yes,

sir; I am occasionally. I am perfectly willing to state any of them so far as I can recollect. Sometimes I make and sometimes I lose.

Q. Did any member of the House or Senate approach you and ask you to use your influence to suppress this investigation, or to get Mr. Dockery to hold back and not press his resolution?—A. No, sir.

Q. No one did?—A. No, sir.

Q. Did you ever say anything to anyone who was pressing it about stopping the investigation?—A. I had no desire to stop it at all.

Q. You never said anything to anyone about that?—A. No, sir; not to stop the investigation at all.

Q. To get Mr. Dockery to let up and not press the resolution?—A. No, nothing of the kind.

Q. Did you ever mention anything of that kind to Senator Vest?—A. Well I can not recollect what I did say to Senator Vest or what he said to me, but I had no desire certainly to have Mr. Dockery withdraw his resolution. I never had any desire of that kind.

Q. I will call your attention to one part of Senator Vest's testimony, in which he stated, if my recollection is correct, that you told him about your purchase of silver, and that, as he recollected, it was after the bill had passed.—A. I know he said that, but he was mistaken about that.

By Mr. PEEL:

Q. Did not Senator Vest say at the time the bill had passed the Senate——A. I do not know what he said in his testimony, but it was before the passage of the bill that I made the purchase.

Mr. OATES. Did you have any knowledge from conversations with or otherwise any information that any Representative or Senator or official of the Government have been engaged in speculation in silver?—A. No.

Q. In pools or otherwise?—A. I do not know anything about anybody but myself. I have heard talk about buying silver, but nothing of which I have any knowledge.

Q. You sold out too soon?—A. I did.

By Mr. PEEL:

Q. I will ask you one question. Did you make that purchase with any intention of its having any effect upon any member either of the Senate or of the House with regard to legislation?—A. No, sir.

Q. It was purely——A. It was purely a business transaction, and I did it without much thought or reflection.

Q. You bought it to be trading?—A. Yes, sir.

Q. Your object was then not to affect the legislation one way or another?—A. No. It was an individual matter entirely. Everybody knew my position on the silver question.

By Mr. OATES:

Q. Did you tell anybody you had bought it until this agitation?—A. Oh, I do not know; I suppose I did. I can not recollect I did, but I never made it a secret.

Q. And never intended to make it any?—A. No, I never intended to make it any.

TESTIMONY OF ROBERT D. BOGART.

ROBERT D. BOGART sworn and examined.

By the CHAIRMAN:

Q. Please give us your full name.—A. Robert D. Bogart.

Q. Your business.—A. I am correspondent of the Chicago Evening Post.

Q. Was that dispatch sent by you to the Chicago Evening Post?—

A. Yes, sir; I sent that.

FEAR THE LIGHTNING.—DOCKERY'S SILVER POOL INVESTIGATION PROMISES LOTS OF FUN.—MEMBERS ALREADY DODGING.—CONGRESSMAN FLOWER'S BOLD DEMAND REGARDED AS A BLUFF.—FITCH CAUGHT BY A CONFIDENCE MAN.

WASHINGTON, *January 13.*

The forthcoming investigation of the Dockery silver pool is going to result in a great deal of fun. Nobody believes that the investigation will amount to anything beyond a roasting of certain people in and out of Congress, but the very threat of it has led to no end of skirmishing. There are plenty of men in both branches of Congress who would much prefer to let the whole thing drop. Perhaps Senator Cullom would not object to this, for just about the time that the silver act of last summer was in progress of incubation David T. Littler, and John R. Tanner, of Illinois, made his committee room their headquarters, and on more occasions than one were locked therein. Now Dockery boldly charges that both Littler and Tanner could tell a good deal about the silver pool if they would. Both gentlemen will be called before the committee to be appointed, and so will Major Blumenburg, Senator Cullom's private secretary. The idea that Farwell was in the pool is not correct. It was not that "Illinois Senator." Brother Cullom and Major Blumenburg are serene under the Dockery menace, but Col. David Littler is said to be hastening home from New Orleans to see about it.

Another nervous fish in the alleged big pool is Brother Flower, of New York. Brother Flower is an esteemed citizen of ambitious instincts politically, but with a single and tremendous eye to thrift. Brother Flower made a speech yesterday thundering for an investigation, but those who know Brother Flower well and were close to him say that globules of sweat trickled down his face during its utterance. Brother Flower is openly charged with the purchase of a whole lot of ounces of silver at 97 cents and the selling of the same thereafter at 119 cents per ounce.

There are more developments to come. It is said to-day that the Speaker will appoint such a committee of investigation as will rip the whole inwardness out of the scandal. Mr. Reed and Mr. McKinley both know that they were not in the pool themselves, and as the House overruled them yesterday on the question of propriety and delicacy, they now propose to find out who really was in it. Both feel that the Senate is the real cover to be flushed, though a few silver foxes may be found lurking in the House chaparral when the hounds are unleashed. There may be a very pretty "cry" from both ends of the capitol.

A large delegation of vesselmen and lumbermen from lake ports had a hearing before the House Commerce Committee this morning on Representative Burton's bill restricting the size of lumber rafts to 500 feet in length and 50 feet in width, and compelling each raft to be accompanied by two tugboats, one at each end. The vesselmen want the bill and the lumbermen protest that it would be ruinous. Billy Brown, of Mount Pleasant; ex-Governor Jerome, Congressman Bliss and others spoke for the lumbermen, claiming that the added expense would be so great as to compel all lumber to be sawed at the upper end of the lakes. Mr. Burton expressed his willingness to modify the bill so far as the use of two tugs is concerned, but thinks it absolutely necessary to limit the size of rafts to protect the channels.

Q. You stated in this dispatch, "There are plenty of men in both branches of Congress who would much prefer to let the whole thing go. Perhaps Senator Cullom would not object to this." On what authority did you make that statement, and what knowledge did you have respecting Senator Cullom?—A. That was merely voicing a little spirit of pleasantry and fun going around the gallery for 2 or 3 days among the Chicago correspondents. The thing arose from the fact that Messrs.

Littler and Tanner, whose names had been closely identified by other correspondents in this matter, had made Senator Cullom's rooms headquarters about the time of the existence of this alleged pool, and I also wanted to poke a little fun at Senator Cullom. It is all intended as a little pleasantry; there is no serious charge against Mr. Cullom.

Q. That is, this charging that Senator Cullom was interested in silver speculation and didn't want an investigation was intended as "a bit of pleasantry" and not as a serious charge?—A. No, sir; it was not intended as a serious charge.

Q. Then you had no knowledge at all respecting Senator Cullom?—A. No, sir; it was simply voicing the pleasantry that was going around among the correspondents there.

Q. Have you any knowledge that any correspondents had any information or any knowledge that would connect Senator Cullom in silver transactions?—A. No, sir; nothing definitely.

Q. You say "Nothing definitely." Do you know of anything that would connect him with that transaction?—A. When I say "nothing definitely" I mean just that. Of course there is a great deal of indefinite whispering about. I think I did hear stated, I do not remember just where now, almost the words I used—"perhaps Senator Cullom would just as well not have an investigation."

Q. Do you intend to convey by that the impression that Senator Cullom had some connection with silver purchases or silver pools that he did not care to have made public?—A. If I remember aright it was in regard to Senator Cullom's friends he had about him; it had been suggested, Mr. Tanner and Mr. Littler.

Q. "Another nervous fish in the alleged big pool is Brother Flower, of New York." Had you any knowledge which would lead you to believe that Mr. Flower was involved at all in the purchase of silver?—A. It was suggested that Mr. Flower was a speculator and bought largely of everything where there was a chance to make money, and that was written on the day he made a speech on the floor on the silver pool, and his speech seemed to many of us in the gallery to be a nervous one, or, in other words, that there was a great desire to make an impression.

Q. Therefore on that you assumed that he was connected with the purchase of silver?—A. Not as an assumption; I merely threw it out as a pleasant insinuation.

Q. Is it a very pleasant insinuation to suggest that Mr. A. or Mr. B. has been involved in this connection with corrupt dealings or corrupt combination for the purchase of silver?—A. There was no suggestion of that kind. I meant if he bought silver the same as Senator Cameron, yet he might be nervous about having that fact come out.

Q. The impression conveyed by this article, or seems to be intended to be conveyed, is that Mr. Flower had some connection with such purchases of silver as is charged.—A. I am sorry it bears that impression. It was not intended to reflect seriously upon Brother Flower.

Q. But you say, "Brother Flower is openly charged with the purchase of a whole lot of ounces of silver at 97 cents and the selling of the same thereafter at 119 cents per ounce?"—A. Yes; I had heard a statement of that kind.

Q. Heard it from whom?—A. My recollection is Mr. Edward Curtis told me that. Edward Curtis is connected with the silver committee, the committee of the St. Louis Silver Convention, which has its headquarters at Willard's.

Q. Edward Curtis, you say?—A. Yes, sir.

Q. Where does he reside?—A. I think you will find him at Willard's.

Q. Do you state he told you that Mr. Flower, pending the silver legislation, did purchase a whole lot of ounces of silver at 97 cents?—A. That is my impression. I think he is the one. I know somebody said something about it and I think he is the one.

Q. You swear it was he?—A. I think he was the author.

Q. When did he tell you that?—A. It was about a week before that dispatch was sent.

Q. Where were you when he told you?—A. I think it was in front of a point somewhere on the block between the Western Union Telegraph Office and Fourteenth street on F street. It was right opposite Curtis's broker, a firm of brokers he does business with, and we were talking about the silver pool there.

By Mr. PAYNE :

Q. Is there anything in this article that you can point out that would give the reader the idea that it was a mere bit of pleasantry with reference to Mr. Flower or Mr. Cullom?—A. The general style of the article, I think, is rather pleasing. There is no direct charge against Mr. Cullom, and there is hardly an insinuated charge.

Q. "Now Dockery boldly charges that both Littler and Tanner could tell a good deal about the silver pool if they would. Both gentlemen will be called before the committee to be appointed, and so will Major Blumenberg, Senator Cullom's private secretary. The idea that Farwell was in the pool is not correct. It was not that 'Illinois Senator.' Brother Cullom and Major Blumenberg are serene under the Dockery menace, but Col. David Littler is said to be hastening home for New Orleans to see about it." You think the general style of that is all pleasantry?—A. Yes, sir.

Q. That is your idea of it?—A. That is my idea.

Q. You did not mean anyone should believe it, did you?—A. They could draw their own inference.

Q. You did not mean anyone should believe it?—A. They could do as they pleased about it.

Q. You did not expect anyone to believe it, or did you?—A. I may not have expected it to be believed of Cullom.

The CHAIRMAN. Did you think it would be believed of Flower?—A. I thought it might be of Flower, Mr. Flower being a man of affairs, and New Yorkers are generally recognized as being thrifty in a business way.

By Mr. PAYNE :

Q. Now we get to Flower. "Another nervous fish in the alleged big pool is Brother Flower, of New York. Brother Flower is an esteemed citizen of ambitious instincts politically, but with a single and tremendous eye to thrift. Brother Flower made a speech yesterday, thundering for an investigation, but those who know Brother Flower well and were close to him say that globules of sweat trickled down his face during his utterance." Did anyone make such a report to you?—A. I observed something of the kind myself.

Q. Did you notice any difference between Flower's manner than at any other time when he made a speech before the House?—A. Yes, sir; he certainly seemed more in earnest.

Q. He is generally in earnest. Did you hear him on the World's Fair?—A. No, sir; I was not here then.

Q. Did you hear him when he was talking about the census?—A. I

do not think that I heard that speech. I have heard him make little short 5-minute speeches on various topics.

Q. He is generally in earnest?—A. I said before, there are degrees of earnestness.

Q. There is a difference in degree?—A. He is more earnest sometimes than at others.

Q. "Brother Flower is openly charged with the purchase of a whole lot of ounces of silver at 97 cents and the selling of the same thereafter at 119 cents per ounce." You said this charge was made by a man named Curtis?—A. I think it was made by Curtis.

Q. By Curtis?—A. Yes, sir.

Q. Anyone present besides yourself and Curtis?—A. No, sir.

Q. Did you ever hear it openly charged in any other manner except that conversation between you and Curtis?—A. No; I do not think I ever did.

Q. Was this a private conversation; confidential?—A. No, sir; not confidential.

Q. Was it a "breezy" conversation?—A. Yes, sir; I think it was. I think we called over a great many people who might be in that pool.

Q. You did not think anyone would believe this about Flower?—A. I would just as soon believe it of Mr. Flower as Senator Cameron.

Q. You do not think anyone would believe it about Flower?—A. I do not think anyone believes he was connected in a pool.

Q. This was after this story was published in the St. Louis Globe-Democrat?—A. Yes, sir; it was after that.

Q. This was long after that? A. Yes; everybody was talking about the pool at that time.

Q. You knew the charge in that paper was there was a pool and Members and Senators were offered silver or silver certificates for the purpose of influencing their vote; you knew that charge was in the Globe-Democrat, and you must have had some suspicion that your charging this on Flower would associate the silver pool described in that Globe-Democrat in the minds of your readers. Did not you think that?—A. I do not think I gave that any thought. It was a subject everybody was thinking about and talking and wondering about.

Q. Then you did not think anyone would believe he was connected with this corrupt silver pool?—A. It was not intended to charge him with that; that he had bought silver was the only specified thing. Whether he bought that in connection with a silver pool or not, nobody knew.

Q. Does this correspondence of the 13th of January give the sum total of your knowledge about the silver pool?—A. Yes, sir.

Q. Did you have any other information?—A. I did not write there all I had heard. Of course I have been hearing about the existence of that thing ever since the Globe-Democrat publication was made.

Q. Can you give us the name of any person who could give this committee any information on this subject?—A. Unless Mr. Curtis might. He is actively interested in silver.

The CHAIRMAN. You say his name is Edward E. Curtis?

A. Edward Curtis.

By Mr. PAYNE:

Q. He is a member of the committee appointed by the St. Louis convention?—A. I do not think he is a member, but I think he is employed by them; he is connected with them.

Q. Has he been here in Washington during, say, the silver legislation

of a year ago?—A. No; I think he has been here 3 or 4 months, certainly since Congress met this session.

Q. Have you any knowledge of the existence of a silver pool at any time?—A. No, sir; I have no knowledge.

Q. Have you any knowledge of any Member or Senator being connected with the purchase of silver at any time?—A. No, sir.

By Mr. ROWELL:

Q. Was Mr. Curtis a dealer in silver at that time?—A. Yes, sir; I think in a small way; I do not think he was a large purchaser.

Q. Did he give you the information he was dealing in silver?—A. He did not tell me directly, but from his conversation I inferred he was.

Q. Mr. Curtis was employed by a committee which was facilitating silver legislation?—A. So I understand.

Q. And he himself was a dealer?—A. Yes, sir.

Q. Had Members of Congress or Senators entered into a pool, pending this legislation, for the purpose of making money out of silver, you would regard that as corrupt, would you not, to make a combination or pool to speculate in a matter they were legislating about?—A. I certainly should do so.

Q. Would you regard it as within the legitimate business of a newspaper correspondent upon mere hearsay to charge men with having entered into such a corrupt pool; is that good newspaper morals?—A. To charge them directly?

Q. Well, to insinuate they had is a charge, is it not?—A. It depends upon the spirit of the insinuation as you call it. What I wrote in reference to Senator Cullom is—

Q. I am not asking about Senator Cullom, I am asking in general. What I want to get at is the general charge that there has been a corrupt organization of Members of Congress and Senators; and this correspondence has a general reference to that corrupt combination, has it not?—A. No. It has more a direct connection with speculation in silver that was supposed to be going on, whether through a pool or by individuals.

Q. Has not the public been given to understand, either by indirection or by direction, that the charge there was a corrupt organization, a corrupt pool? Has not that been the substance of communications in the various newspapers with reference to various pools?—A. Yes, sir; of course it has.

Q. What I want to get at is your idea of newspaper morals. Whether, without knowledge and upon mere hearsay, you regarded it as just and proper to insinuate that men have engaged in a corrupt organization?—A. I do not think it would be proper to insinuate that men had been connected with a corrupt organization.

Q. You so wrote that the public would be led to believe that thing?—A. Well, I do not think from anything I have written concerning Senator Cullom that anyone would believe he was corrupt, whatever they may think of his friends.

Q. You say of his "friends;" if his friends were in no way connected with public life and speculated on their own interest, you do not regard that as coming within the charge of a corrupt combination of members of Congress?—A. No; not unless they were so intimately associated with some member of Congress that the conclusion would be almost unavoidable.

Q. The opening sentence "The forthcoming investigation of the Dockery silver pool is going to result in a good deal of fun" has reference to that investigation?—A. Yes, sir.

Q. And in that reference to that investigation Senator Cullom's name and Representative Flower's name are brought in?—A. Yes.

Q. You think that the public in reading that article would not get the idea that you intended to charge either of them with any connection with any corrupt organization?—A. I do not think they would; not the way newspapers are made these days. Newspapers are written these days more to amuse and interest, and to afford divertissement than they are to seriously impress the public.

Q. That is exactly what I wanted to get at. These articles in regard to the silver pool are more to amuse and create a divertissement among people than for information or seriously charging?—A. Yes, sir.

Q. This is the general business of a newspaper, to amuse the public rather than to undertake to inform them?—A. The most successful newspapers are those that follow that course.

Q. And I understand you to say the object of your article was to amuse and entertain rather than to communicate any real information?—A. That is the spirit of it. It was just reflecting the gossip of the hour; that is all.

By Mr. PEEL:

Q. Let me ask you a question in connection with that. Would it not have been proper as a correspondent to have headed your article in that way so the public would not be misled?—A. I am not aware that the public has been misled.

Q. Do you not think that it is liable to such construction?—A. It would be, certainly.

Q. Now, at the time you wrote this article this resolution had been submitted?—A. The resolution for the investigation?

Q. Yes.—A. I think the committee had been appointed.

Q. As a matter of course you knew at the time that the investigation was to look after the combinations, if there were such things in existence, in which Senators or Representatives might be connected which would be corrupt combinations?—A. Yes.

Q. Knowing that fact do you think it was treating Senator Cullom properly to throw out a little fun at his expense and say that his friends would like to stop it? Do not you know that the men who are opposing him would take advantage of it; did you think of that?—A. The thought that entered my mind was that it would seriously annoy Mr. Cullom if his intimate friends, the gentlemen who occupied his committee room, were involved in this thing.

Q. Did you think it was legitimate to seek to benefit that paper at the expense of a gentleman of his standing?—A. Mr. Cullom is in public life.

Q. Certainly he is.—A. We are a Democratic paper and he is a Republican.

Q. You were asked by Mr. Paine whether you thought the public would believe the insinuations you made there. Did you believe it?—A. Did I believe Mr. Cullom was corruptly in a pool? No; certainly I did not.

Q. Now, I want to ask you about Mr. Flower a minute. You knew he voted against the free-coinage bill?—A. Yes, sir.

Q. Did you know that before he came to Congress after election he sold out his railroad stocks at a loss?—A. No, sir; that I did not know.

Q. Do you know in the Forty-seventh Congress he refused to vote upon a question because he was interested?—A. I was not here then and I know nothing of his Congressional record.

Q. You made the foundation of the charge in that article upon the statement concerning Mr. Flower made you by Mr. Curtis?—A. Yes, sir.

Q. Did you understand that Mr. Curtis knew that he was connected with the matter, or that it was rumor to him?—A. I did not know he was positive or that Mr. Curtis had any personal knowledge of it.

Q. You did not undertake to make the charge yourself?—A. No, sir; I did not put it in the nature of a charge. It was understood—

Q. There was a great deal of rumor?—A. Yes, sir.

Q. And that was the foundation you had for making the charge against him in that article?—A. That is all. I put it in there—if you will notice I simply state—I do not make the charge openly—I say there “it is said Mr. Flower,” etc.

Q. I will read here, “Brother Flower is openly charged.”—A. That might have been too strong. In a statement of course written for telegraph you are in a hurry and do not have time to think about it.

Q. The open charge you allude to is the information you got from Mr. Curtis; that is the only information you had in regard to it?—A. That is all.

By Mr. ROWELL:

Q. I want to ask another question. You say Mr. Tanner and Colonel Littler are friends of Senator Cullom?—A. Yes, sir.

Q. And therefore if they had engaged in a legitimate business and that were known that would annoy and trouble Senator Cullom. Will you explain in any way how that could annoy Senator Cullom?—A. I said if they were engaged in this pool, I did not call it a corrupt pool, I did not think Mr. Cullom would like to be connected with that in any way or have his friends connected with it.

Q. They are political friends?—A. Political and personal.

Q. And live usually in the same house?—A. Yes, sir.

Q. They are political and personal friends; also of most of the Illinois delegation?—A. Yes, sir; of course.

Q. And have been somewhat connected with politics in Illinois for a good long while?—A. Yes, sir; I know both of these gentlemen have been.

By Mr. OATES:

Q. Let me ask you a question, for I have not asked you any yet. At the opening of this article you say, “Nobody believes that the investigation will amount to anything beyond a roasting of certain people in and out of Congress, but the very threat of it had led to no end of skirmishing. There are plenty of men in both branches of Congress who would much prefer to let the whole matter drop.” Who are these men?—A. This is a mere general statement.

Q. Do you know of any man who would prefer to let the matter drop?—A. No, sir; not in the spirit you do. I do not think anybody wanted the investigation; it was difficult to get the resolution adopted, was it not?

Q. I am not testifying; I am asking you.—A. This is a general newspaper statement, and I do not think I can be called upon to analyze it.

Q. You did not have any information, then. You never heard of any members of either branch of Congress who wished to suppress this?—A. I do not think I ever had anyone so express themselves or heard it expressed by anyone.

Q. That is a mere supposition of yours?—A. Yes, sir; the statement was directly and particularly made that you would never have an investigation and it would not amount to anything; that Mr. Reed did not want it and that the Committee on Rules did not want it.

Q. You see, however, the House took it away from the Committee on Rules and ordered the investigation.—A. I will say it was a surprise to a great many people.

Q. You wrote this article after that?—A. Yes, sir; it was after that.

Q. That did not look like it was the disposition upon the part of the majority to avoid an investigation, did it?—A. I have no reply to make to that. As I said before, I can not analyze the general statement and go into why I wrote every word or every sentence of it.

Q. You said you wrote this merely in pleasantry, and did not care if it annoyed Senator Cullom, as you differed in politics; do you think it is fair to write a thing for a paper about a public man to create a false impression because he differed from you in politics?—A. No, sir; I do not think that is correct—not in the abstract.

The CHAIRMAN. Ask him how it is in the concrete.

Mr. OATES. How is it in the concrete? I will add that.

The witness was silent.

Q. Now, when you speak of Mr. Flower, "thundering for an investigation, but those who know Brother Flower well and were close to him say that globules of sweat trickled down his face during its utterance." Did any one who was close to him tell you anything like that?—A. Yes, sir; I think I heard that spoken of; I do not remember by whom.

Q. Who was close to him, anyone except members or reporters and pages?—A. I was not very far away from him myself.

Q. You were in the reporters' gallery?—A. Yes, sir; I was in the front row, which is as close as any outsider, I think.

Q. Did anyone tell you that "globules of sweat trickled down his face while he thundered for an investigation"?—A. I think we discussed Brother Flower there, but I do not think we spoke of globules of sweat—

Q. Did anyone tell you that?—A. No, sir.

Q. That was put in to round it out?—A. Certainly; to make an ornate sentence.

Q. To make it sensational. Do you think that was a right and fair thing to do, to make a statement of that kind about Mr. Flower which tended to show that while he was thundering for an investigation that he did not want it because it would besmirch him? That is the construction to be put upon it.—A. If it had been done with malicious intent I do not think it would be right.

Q. But do you think it is the right thing to do; while it may be fun for you to involve a man's reputation in that way merely to make a newspaper readable?—A. Well, we must make our newspapers readable or leave the gallery.

Q. Even if you resort to invention to do it?—A. I did not say that. We should not lose the dramatic points of the situation; you must never do that.

Q. And take any fiction along with it in order to make it dramatic?—A. You must give it all the dramatic interest you can.

The CHAIRMAN. That is, it is of more importance to make an article dramatic than to make it true as to facts?—A. Well, in newspaper ethics, both are important.

TESTIMONY OF E. G. DUNNELL.

E. G. DUNNELL sworn and examined.

By the CHAIRMAN:

Q. Your given name?—A. E. G. Dunnell.

Q. Your business?—A. Correspondent; New York Times.

Q. You have charge of that bureau?—A. Yes, sir.

Q. Have you any knowledge of any purchase or holding of silver bullion or certificates representing silver bullion by any Senator or Representative in Congress, or anyone connected with the Government, either pending silver legislation or since?—A. No, sir.

Q. You have no knowledge of the purchase by anyone of silver during that period?—A. Except what I have seen and heard—

Q. Except mere rumor?—A. Except from reading the testimony before this committee?

Q. Has anyone ever told you that any Representative or Senator had purchased silver pending this legislation or since?—A. No.

Q. Have you any knowledge of the existence of any silver pool pending silver legislation?—A. I have no personal knowledge.

Q. Has anyone ever told you he had knowledge of this matter?—A. No one has ever told me he had positive knowledge of the existence of a pool.

Q. Has anyone ever told you he had knowledge that would amount to evidence, anything more than mere rumor?—A. I have been told a man believed there existed a pool.

Q. Have you ever had anything presented to you that would satisfy any person of the existence of such a pool?—A. Nothing in the way of testimony or evidence except of the most general kind.

Q. You have no knowledge as to any persons who have evidence they can give in the premises?—A. I do not think I have.

Q. Did you send that article [passing the witness a printed newspaper slip] to your paper on Friday night, which was published in Saturday morning's paper?—A. I did.

The article is as follows:

WASHINGTON, *January 23.*

There is a good deal of indignation among some of the Republicans of the better sort because Speaker Reed's silver investigating committee proceeds with the silver-pool inquiry in a merely perfunctory way. A gentleman who heard a conversation between Messrs. Dingley and Payne, two of the members of the committee, says that they both referred to the bringing out of the fact that Senator Cameron was involved in silver speculations with a great deal of reluctance, and that they would not have gone into it if they had supposed that such a revelation would be made. The impression is that the majority of the committee understood that they were appointed to see that there should not be any searching inquiry, and that they propose to do as they were expected to do. They have not yet called Mr. Abner Taylor, a member of the Coinage Committee, who offered a bill to purchase 12,000,000 ounces of silver, and which, it is said, was prepared in the interest of a silver syndicate that desired to unload. Mr. Taylor would, it is supposed, be able to tell the committee who gave him the bill and something about the men who have 12,000,000 ounces of silver which they would like to sell to the Government.

Q. It is stated by you in this correspondence that "a gentleman who heard a conversation between Messrs. Dingley and Payne, two of the members of the committee, says that they both referred to the bringing out of the fact that Senator Cameron was involved in silver speculation with a great deal of reluctance and that they would not have gone into it if they had supposed that such a revelation would be made." Did you have any information as stated in this?—A. I did.

Q. Did you believe it to be true?—A. I believed it to be true.

Q. That is, you believed that the members of the committee referred to were capable of doing such a thing?—A. I believed the man who gave me the information spoke the truth, and when he told me that he said what was true.

Q. Now, inasmuch as there is not a particle of foundation for it, will you give the committee the name of your informant?—A. I will after I have consulted with him and obtained his permission.

Q. I suppose he will have no objection to it. You believe that a gentleman who overhears anything that may be stated and who, of course, can not hear all that is stated—supposing there was such a conversation as this, which there was not—hears distinctly what is stated and there can be no mistake?—A. He is a man of good hearing.

Q. And that what is heard under such circumstances is sufficient evidence?—A. He is a man of good hearing and pretty good understanding.

Q. I am glad to hear you say that you will furnish the name of the gentleman who says he heard the alleged conversation.—A. I did not say I would; I beg the gentleman's pardon.

Mr. ROWELL. We will have to have it?—A. Well, you haven't got it yet.

By the CHAIRMAN:

Q. The gentleman is the correspondent of a reputable newspaper, and of course will be glad to give the authority for such a charge as he has made?—A. I do not think there is much doubt about it. I will give his name if he does not exact confidence, and I shall comply with your request.

Q. A gentleman making such a statement as that should be prepared to substantiate what he says.—A. I think so; I do not think there is much doubt about it.

Q. Will you be able to see your informant before to-morrow?—A. Yes, sir; I can see him very shortly.

TESTIMONY OF HON. ROSWELL P. FLOWER.

Hon. ROSWELL P. FLOWER sworn and examined.

By the CHAIRMAN:

Q. Mr. Flower, the correspondent of the Chicago Post has made this statement: "Brother Flower is openly charged with the purchase of a whole lot of ounces of silver at 97 cents and the selling of the same thereafter at 119 cents per ounce."—A. Who is the correspondent?

Q. Mr. Bogart?—A. Where is Mr. Bogart; is he present?

Q. He has been present.—A. Did he furnish you the evidence?

Q. That is not supposed to be necessary.—A. I came in here with the idea he was to furnish the evidence.

Q. He is not able to do so.—A. What questions did you ask him?

Mr. PAYNE. He testified that a gentleman named Edward Curtis had stated to him in front of some broker's shop on Fifteenth street that you had substantially done what he had reported here.—A. Edward Curtis is the man I am after, then, because there is not a particle of truth in that. I never bought a dollar's worth of silver in my life, and least of all would I buy it as a Member of Congress with a vote pending.

By the CHAIRMAN:

Q. Or any certificate representing silver?—A. No, sir; never any.

thing, or even railroad stock with a land grant in it, or any other railroad stock.

Q. Have you any knowledge of any Senator or Representative or official connected with the Government purchasing silver?—A. Not any, except what I have seen in the papers in regard to your evidence here; that is all. No; I was even cognizant of the silver pool if there was any, because I was against the bill.

Q. Have you any knowledge of the existence of a silver pool?—A. I have not; only newspaper talk.

By Mr. OATES:

Q. Did you ever make any statement to anybody you had bought silver or speculated in silver at all?—A. Never. I received the newspaper and the statement was so pointed I gave it to the committee. I thought if the gentleman knew anything he had better state it, and if he could prove it I wanted him to prove it, as it was something I did not know anything about.

Mr. OATES. The gentleman has been fully examined here.

The WITNESS. Well, that is all right.

Mr. OATES. I think in justice to Mr. Flower we may desire to call Mr. Curtis.

The WITNESS. I would like to have Mr. Curtis examined, certainly.

Mr. PEEL. I will ask that a subpoena be issued for him.

Thereupon the committee adjourned until 2 o'clock to-morrow, Tuesday, January 27, 1891, unless called together sooner by the chairman.

EIGHTH DAY.

COMMITTEE ROOM OF RIVERS AND HARBORS,
Tuesday, January 27, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m., Hon. Nelson Dingley, jr., in the chair.

The CHAIRMAN. I desire to recall Colonel Littler for a moment.

TESTIMONY OF DAVID T. LITTLER—Continued.

DAVID T. LITTLER recalled and examined.

By the CHAIRMAN:

Q. I want to inquire of you a question asked the other day which you did not answer. At what time did you purchase the \$100,000 worth of silver for Senator Cameron? I want to know if you can not locate it more definitely?—A. In the first place I do not want it understood that was the exact amount; I do not remember whether it was more or less; it may be more and it may be less.

Q. You do not remember the amount?—A. No; I do not, for the reason it was purchased in rupees, you know, in Calcutta.

Q. What was the number of rupees, if it was expressed in rupees?—A. That I do not know, but it was about \$100,000.

Mr. OATES. You and Senator Cameron are in accord in saying it was about \$100,000?

A. Yes, sir.

By the CHAIRMAN:

Q. Now as to the time; if you can fix that a little more definitely when it was purchased?—A. Well, I have no means of fixing the time. Senator Cameron told me yesterday his check for the margin was dated about the 5th of May. That is what he told me.

Q. Did Senator Cameron tell you it was about the 5th of May?—A. Yes, sir.

Q. That would fix the date very nearly?—A. Yes, sir.

Q. It was bought on margin; how much was put up on the margin?—A. Eight thousand dollars, as I remember.

Q. Can you state to the committee a little more definitely how the purchase was made, in what form and of whom?—A. It was made by the purchase of a bill of exchange on Calcutta through a house in London. There is this sort of custom, as I understand, between London and Calcutta. They settle their bills of exchange semiannually, and I believe one of the months is October, but I am not certain of that even, as I have heard that incidentally.

Q. Do you remember the name of the firm?—A. No, sir; I do not.

Q. You bought it from a New York agent?—A. Yes, sir.

Q. Can you give the committee the name of the New York agent?—A. Mr. R. S. Grant.

Q. Do you mean the broker in New York?—A. He is the Grant Locomotive Works man. I believe he is a broker, too. He is the man who is building the large locomotive works at Chicago.

Q. Did you buy any other silver exchange except for yourself and Senator Cameron?—A. No, sir.

Q. Did you buy any silver for any other person?—A. Not to my knowledge.

Q. You say not to your knowledge; do you mean to say by that you did not?—A. Yes, sir; I mean to say, according to my best recollection, I did not.

Q. You would be likely to remember it if you had purchased?—A. Yes, sir; I do not think I ever had any other dealing.

Q. Can you give the date of the sale of that exchange to the committee?—A. No; I can not.

Q. Or about the date?—A. Now, the date of Senator Cameron's check for his profits would indicate the date of that sale by taking from five to six weeks, running back from the date of the check for the profits. It took from five to six weeks, as I remember, to get the returns after the sale was made, to get the returns to New York from Calcutta. For instance, if this check was dated July or August the sale probably took place five or six weeks before that, certainly not less than one month.

Q. Was this silver during that time held in your name or Senator Cameron's?—A. It was held in my name; I think so, at least.

Q. You held it for Senator Cameron?—A. Yes, sir; I think so.

Q. Could you fix a little more definitely the time of sale?—A. That is as near as I can fix it.

Q. About 6 weeks after the purchase.

Mr. ROWELL. You said it would be about 6 weeks after the sale to get the returns?

The WITNESS. Well, I could not state it any more definitely.

By the CHAIRMAN:

Q. I think you stated in your evidence it was before the final passage of the silver bill which passed the 14th of July.

The WITNESS. Is that the date?

Q. Yes, sir.—A. According to my best recollection that is so, although I do not wish to swear to it positively, because I have no means of fixing the exact date.

Q. Were you here much of the time during the summer up to the passage of the silver bill?—A. Yes, sir.

Q. And after?—A. Yes, sir.

Q. Do you know of any other transaction in silver during that time in which any Senator or Representative in Congress or any official of the Government was interested?—A. No, sir; I do not. Mr. Tanner was on the stand yesterday and mentioned the fact that he had talked with me about buying some silver for him. I did not remember that fact when I was on the stand before, but since my attention has been called to it I think that is true. I think he talked with me about buying some or arranging to buy some.

Q. Did you talk with any one else in regard to the purchase of silver except Senator Cameron and Mr. Tanner?—A. I talked with a good many people on this silver question. I had no interest, however, in anybody's buying any. I could not say to whom I talked. It was generally talked about at that time; everybody was talking about it.

Q. Did you suggest to any Senator or Representative or any official of the Government that they might purchase silver?—A. Not to my recollection. I had no interest in any member of Congress or anybody else buying silver, and what I did for Senator Cameron was purely good friendship, out of which I made not a nickel.

By Mr. PEEL :

Q. I will ask you one question. Did you say it would likely be a month or 6 weeks from the time of the sale before you got the returns?—A. Yes, sir.

Q. Can you give us somewhere near the date of the returns?—A. That is what I can not do, as I have no means of fixing that date. Mr. Cameron, I suppose, could fix the date of his check.

Q. Do you remember whether the silver legislation had been finally disposed of when you got your returns?—A. No, sir; I never thought of that at all.

Q. You were not looking to that?—A. Not at all, sir.

By the CHAIRMAN :

Q. To whom was the check made payable, the check for \$8,000?—A. The margin check, made payable to me.

Q. And you gave your own check for the profits?—A. No, sir; I simply turned over the returns as they came to me from New York. I never gave a check at all.

Q. And Senator Cameron was the only Senator or Representative in Congress or official of the Government with whom you had any transactions, directly or indirectly, with reference to silver?—A. Yes, sir; that is the truth about it. Now, I do not want to be understood as remembering at all the amount of profits that Cameron made, for I have no means of knowing that without refreshing my memory.

Q. I think Senator Cameron said it was \$1,100?—A. I have no means of knowing, and I do not wish to be understood as stating that was the amount or whatever it was he got.

Q. And you charged him nothing for doing it?—A. No, sir; not anything. It was simply a friendly act of one gentleman to another. It put me to some little trouble, but I had no interest directly or indi-

rectly in the profits growing out of the transaction. I do not do that kind of business, you know.

Q. How long were you in Washington?—A. Well, sir, I was in Washington—my family were in Europe and I was here most of last winter and a good part of the summer. I was vibrating around the country. I had other business which called me to New York and other places, and I had considerable business here in the Departments, and I still have.

By Mr. ROWELL:

Q. You say your family were in Europe at that time?—A. Yes, sir.

Q. And your house was closed?—A. Yes, but I do not offer that as an excuse for being in Washington. I have a right to come to Washington and stay here.

Q. You come here almost every year?—A. Yes, sir; I have been coming for twenty years, and generally pay my own bills and do not interfere with other people's business.

Q. Were you in any way engaged in advocating legislation here and helping or otherwise trying to influence members in any legislation?—A. No, sir; I want to say, particularly, I think I said it before, that I had no interest in this silver measure except as a citizen of the United States. I had my views on the subject of several bills which were pending, and I took occasion to express them as I thought I had a right to, and under similar circumstances I suppose I would do the same thing.

Q. It was said here yesterday that you and Mr. Tanner during this time had a harbor in Senator Cullom's room and held conferences there. What have you to say about that?—A. I have held no conferences with Mr. Tanner about silver; I never had any occasion to. Mr. Tanner and myself have been friends for a good many years, and I believe we are recognized by Senator Cullom as well as Senator Farwell as their friends. We belong to the same political party, and we have been known to conspire against Democracy very often, and we are liable to again. If we held any conferences at Senator Cullom's room they were in the nature of political conferences and not conferences for the purpose of promoting any legislation. I want to give this committee the best kind of an opportunity to examine me, for it has been stated in the public press you might have gotten a good deal more out, and I am here and want you to fire all along the line.

Mr. ROWELL. If you know anything, speak it out.

By Mr. PEEL:

Q. Do you know anything about silver purchases in connection with legislation other than you have stated?—A. No, sir; I do not. I have heard a good deal since this resolution creating this committee.

Q. But you have given the committee the benefit of all the knowledge you have?—A. All the actual knowledge I have, yes, sir.

TESTIMONY OF EDWARD CURTIS.

EDWARD CURTIS sworn and examined.

By the CHAIRMAN:

Q. What is your full name?—A. Edward Curtis.

Q. Where do you reside?—A. San Francisco.

Q. What is your business?—A. I am a journalist.

Q. Are you acting as a journalist here?—A. Yes, sir.

Q. How long have you been here in Washington?—A. This time, a little over a month, I think, or six weeks.

Q. Were you here last summer?—A. I was here last winter about three months.

Q. What time?—A. From the opening of Congress until about the 1st of March; the first week in March.

Q. In what business were you engaged while you were here those three months?—A. I was a delegate to the St. Louis convention of the California delegation, and they requested me to come on here and represent the organization—the National Silver Committee—which I did. It kept me here about three months; I assisted them for three months.

Q. You refer to the executive committee which was here to promote free silver coinage?—A. Yes, sir.

Q. Are you a member of that executive committee?—A. I am at this time, but I was not then.

Q. Were you in the employ of that committee last winter?—A. No, sir. I want to correct that testimony given yesterday. I devoted several months' service to the silver committee, but I have never received any compensation for it and I did it entirely in the interests of our people.

Q. What was your business here during the three months of last winter and spring?—A. Well, I helped to circulate documents.

Q. What kind of documents?—A. Tracts, pamphlets, and statistics.

Q. For what purpose?—A. To favor free coinage.

Q. And you circulated them on your own account without compensation?—A. Oh, no; the committee circulated them. The expenses were paid by the committee.

Q. I understand you to say you were not a member of the committee at that time, but you were assisting the committee—in the employ of the committee?—A. The member from our State could not come and I was substituted for him. I am a member of the committee now.

Q. Did you ever have any conversation with reference to the purchase of silver with Mr. R. D. Bogart, correspondent of the Chicago Evening Post?—A. I am glad of an opportunity to say, in regard to that, I did have a conversation with him about it, but I never mentioned Mr. Flower's name to him. I do not know anything about the business operations of Mr. Flower, and therefore never mentioned it to him. I called on him this morning with relation to his testimony, and he admitted to me he had probably had the conversation with somebody else than myself. He stated he spoke to several people about the same time and he was probably mistaken in thinking that was myself. He certainly never had any conversation with me about Mr. Flower, because I do not know anything of his business.

Q. Did you ever have a conversation with him?—A. I think I did.

Q. What was the nature of your conversation which you had with him?—A. I think it was something about the prospect of legislation or something about that; how the Pacific Coast felt about it or something of that kind, but I never mentioned Mr. Flower.

Q. Did you tell him any Senator or Representative in Congress had been speculating in or purchasing silver?—A. I did not.

Q. Have you any knowledge of any Senator or Representative or any employé of the Government who purchased or speculated in silver?—A. Not at all. I have not the slightest idea about that. Most of this talk about the silver pool—there was no such talk when I was here at all. I left in March and I had heard nothing of the kind and of

course being away after that, so far away as California, I had no knowledge of it.

Q. But the time you have been here this fall, did you have a conversation with this correspondent on this subject?—A. It was at this time that I heard of it. I had not heard of it when I was here before.

Q. Did you say anything to him about any official of the Government or Senator or Representative in Congress having speculated in silver in that conversation with him?—A. No, sir; I do not think I did.

Mr. OATES. Did you have any conversation about this investigation or who would be involved in it?

A. I may have had. It was a sidewalk talk and I do not remember in particular. I do not think any names were mentioned, as I had no knowledge and I was not here when the talk was about this pool; therefore I do not know much except what I have heard since I came on this time, except some things I have seen in the newspapers about it.

By Mr. PAYNE:

Q. Did you have any knowledge or information of any Member or Senator who would be interested in this investigation or involved in it?—A. No knowledge of my own. All I know about it is what I have seen in the papers, some things I have read in the papers that you have here, these extracts, but no personal knowledge whatever.

Q. Have you knowledge of any Member or Senator pointing out any particular person or information?—A. I do not think so.

Q. You never read anything that pointed to the name of any person?—A. Yes, sir; I have; I think I have seen in some papers some names mentioned.

Q. Do you remember what paper that was in?—A. Either in a St. Louis paper or a Chicago paper; I think one or the other.

Q. Can not you be a little more definite than that?—A. I look over a great many exchanges when I have the time.

Q. My question is whether you can not be more definite than that?—A. I do not think so. It was some Western paper giving some names; somebody was talking to me——

Q. Somebody was talking to you in which names were mentioned?—A. Asking me if I saw some of the names mentioned of persons who had been speculating in silver, and called my attention to it in some way.

Q. Who was talking to you at that time?—A. I do not recollect for the moment.

Q. Have not you had conversations in which you mentioned the name of some Senator or Member of Congress?—A. No, sir; I do not think so.

Q. Did not you mention the name of some member to Mr. Bogart?—A. He only mentioned one instance, Mr. Flower.

Q. I do not care about what he said; I want to ask you?—A. Oh, no.

Q. Did not you mention to him the name of some person interested in some way in silver speculation?—A. No, sir.

Q. Do you know who owns any silver now in the shape of bullion?—A. I saw a statement in the papers a day or two ago that eight or ten banks——

Q. I did not ask you in regard to that. Have you any knowledge?—A. No, sir.

Q. Have you any information outside of the newspapers?—A. No, sir.

Q. You do not know, then, where an ounce of silver bullion is held?—A. It is actively dealt in on the stock exchange and it is quoted every

day, but my acquaintance is confined largely to the Pacific coast people, and I do not know any of those who are speculating in silver at this time, or who held any, except the mine-owners who sell a good deal of silver, like Mr. Newlands and Mr. Rumsey, of St. Louis.

Q. This executive committee represents the mine-owners, as I understand it?—A. Yes, sir; that is part of them do.

Q. And this committee is now in Washington?—A. Yes, sir.

Q. And for the purpose of doing what they can to secure silver legislation, of course in a legitimate way?—A. Yes, sir.

Q. Do you know of their using any money in their efforts to secure legislation?—A. Except as you say in a legitimate way, sending out documents and petitions.

Q. Do they pay any salaries or expenses of anybody?—A. I think there is only one man who received a salary, and that is the secretary.

Q. The secretary of the committee?—A. Yes, sir.

Q. Who is that?—A. Mr. Crandall.

Q. What are his initials?—A. Lee Crandall, I think.

Mr. OATES. It is Lee Crandall, I know him well.

By Mr. PAYNE:

Q. Who is the treasurer?—A. Gen. George B. Williams.

Q. Is he here in Washington?—A. Yes, sir.

Q. Of course disbursements are all made through him?—A. Yes, sir; on the audits of the auditing committee.

Q. And the documents are sent where, those that are sent out this session?—A. They are sent out largely in response to letters. A great many Alliance people are writing for silver documents.

Q. When nobody writes for them where do you send them?—A. Of course the committee having been in session here over a year, have accumulated a good many names throughout the country, and when anything fresh in the way of documents came in, they sent them out.

By Mr. ROWELL:

Q. Do they send out blank petitions to be signed in favor of silver legislation?—A. Not recently.

Q. Did they last year?—A. Yes, sir.

By Mr. PAYNE:

Q. Did they do that quite extensively last year?—A. They sent them out in packages to local people.

Q. Did they send out documents and materials for the press in the country on the subject of silver?—A. Well, all the literature we could get favorable to our side was sent to the newspapers of the country and they could publish it or not, as they saw fit.

Q. Then I understand you to say you have no information whatever in reference to a silver pool, or of members of either branch of Congress being connected with it, except what you have learned from the newspapers?—A. That is all the information I have.

By Mr. OATES:

Q. You say you never mentioned the name of Mr. Flower in any conversation with the correspondent, Mr. Bogart?—A. No, sir.

Q. Mr. Flower's name was not mentioned by him nor yourself in the conversation you had with him?—A. I can not speak for him, but I know I never spoke of him in any way, because I did not know anything about him. He said this morning that after giving his testimony yesterday he had been thinking the matter over and it was quite possible

that it was somebody else and not myself, as he talked with a good many people since that time. I went to him this morning. I never mentioned Mr. Flower's name to him, because I had no knowledge.

Q. You had no knowledge of Mr. Flower or anyone else speculating in silver?—A. No, sir; not at all.

Q. Or in silver certificates representing bullion?—A. No, sir.

By Mr. PEEL:

Q. You have been asked a good many questions about the procedure of this silver committee. Is there anything about their operations in regard to silver except to educate the public mind and bring the matter before the public mind like any other great issue before the country?—A. Yes, sir; they have no other duty to do but that.

Q. They have engaged in no other kind of work, directly or indirectly, save to bring the matter before the public mind and present that side of the question?—A. That is their entire duty.

Q. Just the same as people do in regard to low or high tariff, and all these other public issues?—A. Yes, sir.

By Mr. OATES:

Q. Do you know other committees and other organizations do similar kinds of work to influence legislation?—A. I do not think there has been any committees doing so except ourselves. I have heard there was a committee at the Shoreham Hotel representing the New York speculators in silver, but I never met any of them and I do not know anything about them.

Q. Have the Farmers' Alliance a legislative committee here?—A. The Farmers' Alliance act with our committee pretty generally.

Q. But they have a distinctive legislative committee here to represent their organization.—A. I was appointed a committee of one this last week to confer with the Farmers' Alliance in regard to free coinage, which I did.

Q. They have an organization here, a legislative committee here?—A. They have just met, and have only been here about 2 days and I went to see them—I was sent by our committee to confer with them about this matter. They received me very cordially and said they would do all they could and that afternoon passed a resolution strongly in favor of free coinage.

Q. You are speaking in reference to silver only. Have not they a committee, a legislative committee, appointed by their organization, and the Knights of Labor, have not they a legislative committee here?—A. No. It seems they met here together with the Knights of Labor and I believe there was an understanding that there was a legislative committee appointed to propose such measures to Congress.

Q. All I want to get at is this: Is the silver committee of which you speak an organization similar to the committees of other organizations or is it different; is there anything more about it?—A. Well, we take aid where we can get it. If the Farmers' Alliance men will help us or the Knights of Labor, or any industrial organization, we try to get help.

Q. You do not seem to take in the point of my question. You have been asked about the silver committee here and you have described the way they attempt to influence legislation. The point of my question is, is there anything constructively different in that from committees representing other organizations and other interests?—A. No sir; not essentially different; I should think not.

Mr. PAYNE. I suppose you are inside and know what the silver committee is doing and do not know what the other committees are doing?

A. I only know in a general way what these others are doing. I know we are only doing legitimate work in furnishing information to whoever wants it.

By Mr. ROWELL:

Q. Is there any silver pool organization on the Pacific coast for speculating in silver?—A. I do not think so. Of course the banks and large mining companies have their headquarters at San Francisco all the time and have more or less silver on hand. They are large producers of silver, and I think they agree occasionally to withhold silver or something like that until they get a little higher price, but as a rule I think they sell on the market. I do not think there is any pool organized there. In fact, silver is not quoted in California; it is not quoted on our exchange at all in San Francisco. The market for silver is in New York and London. I do not think there is any pool formed on the Pacific coast, as I have never heard of it.

Q. Were you in Colorado during the summer?—A. No, sir.

Q. You know nothing about a pool being formed there?—A. No, sir. I will say our committee during the last year have sent out over a million documents.

Q. Have you any traveling agent?—A. We pay two or three speakers to make speeches.

Q. In what sections of the country?—A. Well, we had one man from Nevada and one man from Virginia who went out to speak.

Q. Where did they travel and speak?—A. They spoke in New York, Ohio, Chicago, and Memphis, I believe.

Q. Traveling through the country among the country people?—A. Well, very little. I think one or two men traveled South, but they did not do that extensively at all.

Q. Men connected with these organizations, labor or alliance organizations?—A. No; men who understood the silver question pretty well, and talked well on it.

Q. Primarily, the organization was one of mine owners?—A. Well, the committee is composed at this time of nine men, and I think three of them are mine-owners and the other six are not.

By Mr. PAYNE:

Q. You said something about understanding there was a committee of speculators in silver up at the Shoreham, I think, or somewhere here in town?—A. I do not think I said speculators.

Q. I think you did. What do you know about that?—A. I suppose the men interested in silver in New York, and holding it for higher prices.

Q. What do you know about such a committee?—A. I do not know enough about the committee to say anything of any use. I just heard talk, that's all.

Q. From whom did you get your information?—A. I think it was in a general talk in our committee room; somebody in the room made the remark that there was another headquarters here, and they did not come near us and we did not go near them; that there was another committee here advocating silver for some purpose or other.

Mr. ROWELL. For speculative purposes?—A. I do not know.

By Mr. PAYNE:

Q. Do you know who constitutes the committee here?—A. No, sir.

Q. Any of them?—A. No, sir.

Q. Could you give the name of the man who made that remark in your committee room?—A. I do not think I could now. The fact remained in my mind, but not the man who made it, because there were several there.

Q. Who were they; tell us who they were?—A. General Warner was there, the president.

Q. Gen. A. J. Warner; who else?—A. Crandall, the secretary.

Q. Are you sure they were both there?—A. One or the other was, I think.

Q. Anyone else?—A. I think perhaps Governor West, of Utah.

Q. Was he there?—A. I think perhaps he might have been.

Q. Do you mean to say he was there?—A. He comes there frequently, and for this reason I think he was there.

Q. Have you any recollection that he was there?—A. Not definite.

Q. Where was this, where your committee met?—A. Yes, sir.

Q. Was it a room in one of the hotels, or where?—A. It was at the corner of Twelfth street and Pennsylvania avenue, on the opposite side of the street.

Q. How long ago was it?—A. Oh, two or three weeks ago.

Q. Is that all the knowledge or information you have about this committee of speculators?—A. My entire knowledge.

Q. What seemed the object of this assemblage of speculators?—A. I have no right to call them speculators because I do not know that they were; they may have been investors. It may be some syndicate of investors in silver, not speculators.

Q. Was that the term your informant used? Can you tell us whether your informant was a member of the committee or not or was he an outsider?—A. Well, I do not know.

Q. You can not give us the least idea that will identify your informant?—A. When I go back to-morrow morning I will try to ascertain and if you wish I will let you know.

Mr. ROWELL. Was it your understanding it was another committee of some kind working in the same interest you were, for silver legislation?—A. I did; but they had no connection with us, and all we knew about it was mere rumor and did not pay any particular attention to it. As I knew you wanted the entire truth, I thought I would give you everything I had heard. It is hardly definite enough for me to mention, perhaps.

TESTIMONY OF E. H. DUNNELL.—Continued.

E. H. DUNNELL, recalled and examined.

By the CHAIRMAN:

Q. You were asked yesterday if you would give the committee the name of your informant in regard to certain charges against members of this committee. You said you would see the gentleman and inform the committee to-day?—A. I have seen him.

Q. What is his conclusion?—A. He is willing I should give the name to you.

Q. Will you please give his name?—A. Mr. Robert J. Winn, correspondent of the Cincinnati Commercial Gazette.

Q. Where does he reside?—A. I do not know his residence—in this city, though.

Q. Did he give you any information as to where the conversation took place?—A. I understand it was in this room.

Q. At what time?—A. I did not ask him.

Q. Do you know where his residence is or where he is stopping?—

A. I could not tell you, but I know he resides in this city.

Q. Do you know what his business is here?—A. He is a correspondent of the Cincinnati Commercial Gazette.

TESTIMONY OF ROBERT J. WINN.

ROBERT J. WINN, sworn and examined.

By the CHAIRMAN:

Q. Please give your full name.—A. Robert J. Winn, assistant correspondent of the Cincinnati Commercial Gazette.

Q. On the 23d of January there appeared in the New York Times, in the Washington correspondence of that paper, this statement:

A gentleman who heard a conversation between Messrs. Dingley and Payne, two of the members of the committee, says that they both referred to the bringing out of the fact that Senator Cameron was involved in silver speculation with a great deal of reluctance, and that they would not have gone into it if they had supposed that such a revelation would be made.

Whom did you hear say that?—A. I carried a message to Mr. Dunnell from General Boynton, who told me to tell Mr. Dunnell he had knowledge of such a conversation as that.

Q. Did you furnish him with the information?—A. I am General Boynton's assistant.

Q. Did you inform Mr. Dunnell?—A. Yes, sir.

Q. Did you inform him that you had knowledge of such a conversation, or somebody else?—A. I said that I bore it as a message from General Boynton to Mr. Dunnell. I told Mr. Dunnell that General Boynton had knowledge of such a conversation, which was in substance just as it appears.

Q. Then you yourself had no knowledge?—A. No, sir.

Q. You simply were the bearer of the information from him?—A. General Boynton.

Q. You did not pretend to have any knowledge of such a conversation as this?—A. I never have.

By Mr. PAYNE:

Q. Did you tell Dunnell that you had heard such a conversation between Mr. Dingley and myself?—A. No, sir.

Q. Or anything that gave him the idea that you heard the conversation?—A. Well, I delivered the message to him.

Q. Did you tell him that General Boynton told you that he had information to that effect?—A. That he had knowledge?

Q. Knowledge or information?—A. Knowledge or information, either one.

Q. General Boynton did not pretend, as I understand it, to have heard it.—A. No, sir; but you will have to ask him about that.

Q. But he did not pretend he had heard it himself?—A. I did not understand him so.

Q. Did you in delivering the message tell Mr. Dunnell you heard it from General Boynton, and not that you heard the conversation?—A. Yes, sir.

By the CHAIRMAN:

Q. The statement is this: "A gentleman who heard a conversation said so and so," and Mr. Dunnell has given your name as his informant,

giving us the impression that you heard it.—A. I do not want to swear to what he means, but I understood what he meant when he gave the testimony was that he had that information from me.

Q. Not that you had any knowledge at all?—A. No, sir. When you get at it you will see it is a very natural thing. There is no mystery about it at all and no desire to quibble at all.

Q. I understand that. You carried the information from General Boynton?—A. By word of mouth. I told General Boynton I was going to Dunnell's office; he said, "when you go there tell him for me I have knowledge of this statement," which is stated there nearly exactly. In fact I would not change it if I had to write it over again.

Q. This message you bore was simply a verbal message from General Boynton that he had knowledge of so and so?—A. Yes, sir. Now I should say that he had knowledge of this conversation, of a gentleman having heard this conversation.

The CHAIRMAN. Then we must follow this hearsay statement still further.

Thereupon the committee adjourned until Wednesday, January 28, at 2 p. m., unless called together sooner by the chairman.

NINTH DAY.

COMMITTEE ROOM ON RIVERS AND HARBORS,
Wednesday, January 28, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m., Hon. Nelson Dingley, jr., in the chair.

Present: The Chairman, Messrs. Payne, Rowell, Peel, and Oates.

TESTIMONY OF H. V. BOYNTON.

H. V. BOYNTON sworn and examined.

By the CHAIRMAN:

Q. At a meeting of the committee the Washington correspondent of the New York Times being upon this stand testified that this statement, which he had made in his correspondence, "A gentleman who heard the conversation between Messrs. Dingley and Payne, two members of the committee, says that they both referred to the bringing out of the fact that Senator Cameron was involved in silver speculation with a great deal of reluctance, and that they would not have gone into it if they had supposed that such a revelation would be made." The correspondent of the New York Times said that he had this information from a gentleman who overheard it, and on being asked for his informant, at the proper time he gave the committee the name of the gentleman who is one of the correspondents, I think, of the paper with which you are connected, who stated under examination that he was the bearer of a verbal message from you to the correspondent of the New York Times to that effect, and that the information came in that way. As this statement in the form intimated that the committee appointed to do a certain work had tried to prevent its accomplishment, and reflected not only upon the committee but upon the House, it seemed to me important that the committee should know what the facts are. Will you please state then?—A. You have not read all the paragraph yet.

Q. I have read all of the paragraph which relates to the point as to which I am questioning you.—A. I would like to testify in regard to the whole paragraph.

Q. But first in reference to the particular point that is under consideration.—A. There is considerable in reference—the rest of the paragraph contains the same thing.

Q. Let us have this point first; one point at a time.—A. Yes, sir; I sent substantially that message to Mr. Dunnell, having used it myself in my own dispatch, by Mr. Winn.

Q. Did you ever hear of such a conversation?—A. Not exactly in the language in which that is printed. If I had written it myself it would have been somewhat differently expressed. But I am responsible for that paragraph getting into print; whether it got in exactly in the language which was contained in the verbal message is immaterial, as I am responsible for it. And I presume I am responsible for some of the rest of that paragraph too.

Q. After we have settled this one point then we will address ourselves to the other points.—A. Well, sir.

By Mr. OATES:

Q. You are probably familiar with the rules of evidence.

The WITNESS. I am sorry I do not quite hear you.

Q. You are probably familiar with the rules of evidence that when a witness is examined in reference to a particular matter he can go on afterwards and explain all he desires in connection with it.—A. Colonel Oates, I am a great deal more familiar with Congressional investigations for the last 25 years than I am with rules of evidence. You know in regard to a Congressional committee that the rules of evidence until within 2 or 3 years have never obtained, that the committees have asked for hearsay evidence and for everything that would give them any clue whatever to inquiries the House charges them with inquiring into.

The CHAIRMAN. Will you please answer the question which I addressed to you?

Mr. OATES. I do not think this committee desires to adhere strictly to the rules. I think, however, a great many of the investigation committees have departed very widely from it.

A. I am thoroughly familiar with the investigations for about 25 years, and I have been a witness before a great many Congressional committees.

By the CHAIRMAN:

Q. In the first place, did you hear the conversation which the correspondent of the New York Times alleges took place?—A. No, sir; I have never been in this committee room until this morning at all.

Q. The testimony was that the gentleman who was the informer heard this conversation, and he was a gentleman of excellent hearing.—A. Yes, sir; and of high character, too.

Q. But we have already gotten two removes from the party who informed the Times correspondent, and yet have not reached the person who claims to have heard the alleged conversation. You sent the message to the correspondent?—A. Yes, sir.

Q. As you testify you did not hear the conversation, please state how you obtained the information.—A. I will tell you that without the least hesitation. A gentleman who was in this room, not only with the knowledge of the committee, but by authority of the committee, said to me that, being here, he had heard, not overheard—I want to

be very particular about the fact that he did not overhear any conversation, but being in this committee room he could not help hearing and repeated to me—the substance of a conversation which passed, as he said, between yourself and Mr. Payne, which, as I had it, was to this effect, and which I communicated to Mr. Winn as near as I remember it: That you gentlemen, being in a conversation in reference to the testimony that had come out in regard to Senator Cameron, each of you were explaining to the other your surprise that such testimony as that had come out, and that you had no previous knowledge that it was to come out, and expressed some regret that it had come out; and that was about the whole of it.

Q. Now, who was your informant of that conversation?—A. Well, sir, I do not know that I propose to give you the name, governor.

Q. Of course, if you were deceived yourself by what was told you and instrumental in securing its publication you would desire to have it corrected.—A. I have not testified that I was deceived.

Q. But do not you think it is your duty under the circumstances to give the name of your informant?—A. I suppose under the rules of evidence you and Mr. Payne would be the best witnesses on that point.

Q. Well, sir, we are ready to state under oath, if necessary, that no such conversation as reported in the New York Times ever took place.—A. I have not testified it took place.

Q. But the correspondent of the New York Times says it took place, and that you gave him the information on the authority of another person. Now, in view of our denial, what have you to say?—A. That the gentleman who gave that information is as honorable a man as any member of this committee or any member of this Congress.

Q. Should you not give his name? Is it right for you to stop right there, and excuse yourself from furnishing your authority, on the ground that you take the responsibility for the circulation of the New York Times' statement.—A. Yes, sir; so far as I am concerned.

Q. Would not you in this case leave yourself open to the suspicion that there was no such information?—A. No, sir; I do not think I would. When I testify under oath I think my testimony is as good in this committee as any member of Congress as to testifying to the truth under oath.

Q. I understand you to state that a gentleman, whose name you decline to give, informed you that he had heard a conversation substantially as published in the New York Times?—A. Substantially as printed there.

Q. Then, you understand by what this gentleman told you that if Mr. Payne and myself had known that Senator Vest was going to implicate any Representative or Senator in Congress we would not have called him?—A. I did not testify to that, and I do not think so.

Q. What was the impression you intended to convey?—A. I did not intend to convey anything except what I testified to.

Mr. PAYNE. He did not testify to that.

By the CHAIRMAN:

Q. Well, you have testified that the New York press correspondence substantially reproduces your message, and that correspondence says that Mr. Payne and myself said we would not have gone into the examination of Mr. Vest if he had supposed that such a revelation would be made. What did you intend to testify to?—A. I heard just this, sir. A gentleman being in this committee room, not only with the knowledge and consent of this committee but by the authority of the committee,

heard a conversation, not overheard a conversation as has been stated in some testimony that was taken, but being here could not help hearing and repeated it to me to this effect, that you and Mr. Payne being in a conversation in regard to the testimony that had come out affecting Senator Cameron, each was apparently explaining to the other that he had no knowledge or expectation that such testimony was to come out, and practically each insisting to the other that he had nothing to do with it. That is the sum and substance of it.

Mr. PAYNE. Nothing to do with what?

A. With its coming out.

By the CHAIRMAN:

Q. That is not what was stated in the correspondence of the New York Times.—A. I have not testified to what is stated there.

The CHAIRMAN. I do not understand you.

Mr. PAYNE. This is another case of the three black crows.

The WITNESS. No, it is not.

The CHAIRMAN. Here is the statement: "They said (Dingley and Payne conversing together) that they would not have gone into it (that is, either into the investigation or the calling of Senator Vest) if they had supposed that such a revelation (implicating Senator Cameron) would be made?"—A. I did not testify that; I did not testify I sent that word to Mr. Dunnell.

The CHAIRMAN. It conveys that impression if it conveys any impression.

Mr. PAYNE. I understood him to say he did not send that to Mr. Dunnell.

The WITNESS. No, sir; I said it was stated substantially, not in the language in which I would send it, but the sum and substance of the dispatch was about in accordance with the message I sent; but if I had been writing the paragraph I would not have used that exact language.

By the CHAIRMAN:

Q. Do not you see that language used in the publication in the Times conveys a very different impression to the public from that which you now state was your message? It is entirely possible—I do not know I ever said anything to Mr. Payne about it—but I have said frequently I regretted that any Senator or Representative had done any act which made it necessary that such facts should be brought out.

The WITNESS. I have got some other important evidence if you want to have it. I have got some other important information bearing on this fact.

Q. Now, I understand you expressly to disclaim having sent to Mr. Dunnell a statement that "if they (Dingley and Payne) had supposed that such a revelation would be made that they would never have gone into the investigation," or into calling Senator Vest as a witness. You did not send such a message?—A. Just let me tell you about that. I think it was very natural for Mr. Dunnell to write that paragraph he did upon the information I sent.

Mr. PAYNE. But suppose you answer the question.

The WITNESS. I am answering it, sir.

Mr. ROWELL. I insist that he is not answering the question.

The WITNESS. I mean to assume the responsibility of sending that message to Mr. Dunnell and relieve him of the responsibility—

By Mr. PAYNE:

Q. So far as I am concerned I do not care about the responsibility, I want to get an answer to the question.—A. I am trying to go over the ground with everything, except giving the name.

Q. I think you have already answered that question, and it is a very simple question to answer, it is why you sent Mr. Dunnell that particular message?—A. I am trying to answer it——

Mr. PAYNE. Let him tell what the message was, as well as he can, which he sent Mr. Dunnell.

A. The message, as near as I can recollect it was to this effect: Mr. Winn came to my desk. He is one of the correspondents of the Cincinnati Commercial-Gazette, and I am in charge of the office, and said, "I am going into Mr. Dunnell's office." I had sent substantially the conversation I am repeating to you in my own dispatch, and I stated to Mr. Winn, "Give Mr. Dunnell my compliments and tell him that here is a piece of information that may interest him in regard to the silver-pool investigation; that I am informed that a conversation took place between two members of the committee in which each one was explaining to the other that he was surprised that this testimony came out in reference to Senator Cameron, and each insisting to the other that he had nothing to do with bringing it out, and practically each apologizing to the other for the fact it had come out in the progress of the investigation." That as near as I can recollect is the message I sent to Mr. Dunnell. So I say I think he was justified in making this statement, although I did not make exactly that statement to him.

By Mr. PAYNE:

Q. Did you send any other verbal message than that?—A. I think I sent something about Mr. Abner Taylor. That was a matter of conversation in our office about the 12,000,000 ounces that this committee was particularly charged with investigating under the resolution, and nothing else, as far as I know.

Q. Will you allow the committee to do their own investigating?—A. Yes, sir; I do not want to run but one side of this investigation.

Q. You seem to be disposed to. Did you send any other message to Mr. Dunnell relating to Governor Dingley and myself and our conversation except what you have just stated?—A. So far as I remember, no, sir.

Q. That answers that question fully, I think. Will you give the name of your informant?—A. I think not, Mr. Payne.

Q. Why not?—A. Simply because when I get information in regard to such matters I believe it is the ethics of journalism not to give it out; the same as if I got a piece of information from you, I would not give out the fact that you gave it.

Q. Suppose your informant was willing to have his name given?—A. I do not know that he is willing, but I am not in the habit of giving information as to who it is that gave me information.

Q. Would you give it if he expressed his willingness that you should give it?—A. Yes; I would have no objection in reference to that, of course. Now, I want to make this point in reference to this whole thing, that this Committee has not a particle of authority under the resolution of the House to ask these questions in reference to newspapers——

The CHAIRMAN. There is no matter about that——

The WITNESS. (Continuing.) Not a particle of authority under the resolution of the House of Representatives to make these inquiries, and I would like to have the members of this Committee who are lawyers to

read that resolution and tell me whether you have any authority to ask these questions. I am willing to go before the bar of the House on that point any time. This resolution is very specific.

Mr. PAYNE. We have read the resolutions and we do not care anything about any information from you in regard to what the scope of inquiry is, generally.

A. But if you ask me and push me upon matters you have no authority about—

Mr. PAYNE. I am simply asking you the question whether, if this man is willing, you are willing to give his name to the committee.

A. If he is willing.

Mr. PAYNE. I have not any controversy with you one way or another; so far as I am personally concerned I do not care anything about it.

The CHAIRMAN. We proceed rather upon the supposition that if you have been misled by any information respecting the matter you would be glad to correct it.

Mr. OATES. I do not wish the impression to be made that this committee has passed on the question of jurisdiction in regard to the investigation of this matter and what may have been said by two members of it. As a matter of course they want to examine into this matter in their own vindication, and we would have no objection to the inquiries.

By the CHAIRMAN:

Q. We understand now the message sent, which, of course, differs very materially from what is published by the Times.—A. But I assume the responsibility.

Q. Now, is this publication in the Times similar to what you sent your own paper as the purport of the conversation between Mr. Payne and myself?—A. I had my own opinion in reference to this matter.

Q. But you speak of having sent a dispatch to your own paper. Have you it here?—A. No, sir, I have not; but I can get it.

Mr. OATES. I suggest, Mr. Chairman, that General Boynton be allowed to go on and testify to any knowledge that he has to state, and then we can ply him with questions. I believe he stated he had some knowledge.

By the CHAIRMAN:

Q. You have stated you have some knowledge outside of this matter. Will you please state what knowledge you have?—A. I want to testify in regard to this matter of Senator Cameron's and explain why I accepted this statement made to me as a conversation which took place between two members of the committee. It seems very surprising, and it was to me, that I should have accepted such a statement and made it public. The night before this investigation began—it began, I believe, on the 17th of January—

The CHAIRMAN. We organized on Friday

The WITNESS. Before Mr. Stevens was examined, I think he was the first witness. Mr. Stevens was in my office and this is a matter of office information, which I have as well as the rest. Mr. Stevens received a message to this effect, that it was the desire of the committee that he should either be late the next day or prolong his evidence the next day, for the purpose of this committee was to adjourn immediately at the end of his testimony until the next Wednesday, because Senator Vest could not appear and give his testimony in reference to Senator Cameron until after the following Tuesday. Mr. Stevens, at that time, was under subpoena from this committee.

Q. Mr. Stevens stated that to you?—A. Mr. W. B. Stevens.

Mr. OATES. Do you know from whom he received the message?

A. Yes, sir; from Mr. Dockery.

By the CHAIRMAN:

Q. Not from the committee itself?—A. I did not say from the committee; I stated by message.

By Mr. PAYNE:

Q. You said a message that the committee wanted him to prolong his statement?—A. I did, but I did not say it came from a member of the committee.

Q. Did you say the message was that the committee—A. I have stated who it came from, and it is rather important, and I do not propose to make any mistake about that.

The CHAIRMAN. Well, the stenographer will read what you said. (The stenographer read what was said.)

By the CHAIRMAN:

Q. If anyone has been giving out such a message as coming from the committee, or with the implication that it was with the consent of the committee, we want to know it.

The WITNESS. I heard the same thing 3 or 4 days before that, but this I can not give absolutely as to who it came from. Now, with that I was somewhat prepared to extend this other statement in reference to this conversation. I did not testify I believed it. There is no one I have greater respect for than Governor Dingley and the other gentlemen of the committee; but the gentleman who gave me this information is a man I have known for a great many years, and he is of as high character as any man in this town.

By Mr. PAYNE:

Q. Did Mr. Dockery deliver that message to Mr. Stevens in person?—A. So I understood; I do not think it was in writing.

Q. Had you understood at that time that Senator Vest knew of this statement from Cameron?—A. No, sir; I did not know anything about it.

Q. I see you mention Senator Cameron?—A. I meant I did not know what he was to testify to.

Q. You did not know who was to be connected with it?—A. I knew it was testimony in reference to Cameron, but I did not know the details of the testimony he was to give.

Q. But you had heard Cameron's name connected with it?—A. Oh, yes; everybody knew that a week before.

Q. I did not know anybody did; I never heard of it until I came out from Vest.—A. I am not speaking of the committee, sir.

Q. By everybody you mean the newspaper reporters?—A. Yes; they are pretty apt to know what everybody knows; what they don't know is not worth asking much about.

By Mr. OATES:

Q. Have you any knowledge or information of the existence of a silver pool or anybody who was dealing in silver?—A. Personal knowledge?

Q. Or any reliable information?—A. Well, sir, I have not any knowledge; I have not such information as would justify me in giving any gentleman's name before this committee. I have heard a good many names, sir, as a matter of gossip.

Q. From the reports did you notice whether this committee did not,

in fact, hold a session on Saturday as well as Friday?—A. Well, I understand as soon as Mr. Stevens got through they adjourned.

Q. You did not have any information we also had a session on Saturday?—A. It is Saturday I am speaking of.

Q. The committee also met on Friday.—A. I am speaking when they adjourned from Saturday to Wednesday, that is the time I am talking about. I am speaking of the day when Mr. Stevens was examined, and at the close of Mr. Stevens's examination they then adjourned from Saturday until Wednesday, as I had heard the night before they were going to do.

Q. Well, I do not know who gave that out.—A. Wednesday Senator Vest appeared and gave his testimony in reference to Senator Cameron, and the thing looked to me as if I had received a very plausible story.

Mr. PAYNE. You seemed to have known more about this Saturday meeting than any member of the committee?

A. I presume so, but it happened very curiously that the committee adjourned just as I had heard they were going to do, and the next Wednesday Senator Vest came in and gave testimony about Senator Cameron, so you see my confidence was somewhat shaken in spite of my great respect for the governor and the other members of the committee.

Mr. OATES. I do not know what entered the minds of the other members of the committee, but I for one asked for an adjournment until Wednesday because I had to go to New York.

A. I have no way of explaining this part of it.

The CHAIRMAN. I will say in the presence of the committee, because it is well understood that the adjournment on Saturday was at the request of Mr. Oates, I suggested that I hoped we would not adjourn, because I was desirous of pressing the examination, and Mr. Payne said the same thing. But Mr. Oates was so anxious that we consented to an adjournment to accommodate his business in New York, that we consented, having no knowledge that Senator Vest was to give testimony implicating anyone.

Mr. PEEL. I was not present when the adjournment took place, but after Mr. Stevens had revealed the name of this man Owenby, who seems to know everybody and all about everybody, I thought we had better try to get him, and we could not get him in 24 hours, and I did not know of anybody else who was ready to be heard. I was not present when the adjournment was made.

Mr. ROWELL. We sent to the Senate Chamber on Saturday to get Senator Vest, but failed to get him.

The CHAIRMAN. When this committee was organized on Friday I received a note, which I laid before the committee, from Senator Vest saying he desired to make a statement. The members of the committee said they would be glad to hear him at any time, and I immediately went over, probably it was 5 minutes after the committee adjourned, to see Senator Vest, and informed him that the committee would meet the next day at 10 o'clock and that we could hear his statement at that time or at his convenience. It was not until the Wednesday after this time that I had any intimation that Mr. Vest would refer to Senator Cameron.

The WITNESS. In regard to Senator Cameron?

The CHAIRMAN. Yes. I do not think any member of the committee had knowledge until then of this testimony; I did not, certainly. On Saturday, while the committee was in session, I asked someone to inform Senator Vest that the committee could then hear him. Soon after

this messenger returned and said the Senator could not attend that day.

Mr. CAVANAUGH. I made that statement.

The CHAIRMAN. How did you get your information?

Mr. CAVANAUGH. From the Senate.

The CHAIRMAN. From Senator Vest himself?

Mr. CAVANAUGH. Yes, sir.

The CHAIRMAN. Well, that confirms my recollection. We were trying to have Senator Vest here Saturday. Of course we had no idea that he would state anything more than to disclaim any personal interest. I am mentioning this to show that the adjournment until Wednesday was for the purpose Mr. Oates has stated. We adjourned to accommodate Mr. Oates, and also because we were not certain we would have witnesses before Wednesday. We had to reach two or three witnesses in the West.

The WITNESS. I am glad to hear all this explanation.

The CHAIRMAN. Is there anything further you wish to state; you said something about some other matters in regard to which you wished to make a statement?

A. I have made that.

Q. You have stated all you desired to. You have no further information on this matter which will aid the committee in this investigation?—A. I have no desire to say anything further.

Q. Have you any information which will aid the committee in this investigation?—A. I would like to know what is meant by aiding the committee; if I have any personal information—

Mr. ROWELL. Can you give us the names of witnesses which will aid us in the investigation?

A. What I have heard—I think Mr. A. B. Taylor, of Illinois, can give you some information.

The CHAIRMAN. I will say that Mr. A. B. Taylor has stated that he would come at any time the committee said, but that as his information was obtained from a gentleman whom we had subpoenaed he preferred to come after that gentleman had testified.

By Mr. PAYNE:

Q. Is there any other man besides Mr. Taylor?—A. Well, Mr. Payne, it would hardly be fair for me to give names of members of Congress I have heard of in general gossip in regard to this thing.

Q. I do not mean that nor care that you give that.—A. It seems to me that would not be a fair thing to do, but Mr. Taylor has already been publicly mentioned in the press.

Q. I mean the name of any witness who could throw light upon this subject; I do not ask you the names of any member of Congress.—A. I think Mr. Littler might throw some light on the subject, and I think Mr. Tanner could throw a good deal more light on the subject than he has.

Q. But he has sworn under oath that he has no further knowledge?—A. I understood him to testify yesterday that he knew about this committee of New York speculators over here with headquarters at the Shoreham.

Mr. ROWELL. No, he testified—

The WITNESS. I understand Mr. Tanner testified his dealing in thousand-ounce silver certificates which another witness had testified were around the Capitol—I do not mean any member of Congress was improperly approached by them, but they were around here with that

kind of silver certificates. I think Mr. Tanner could probably give the committee very interesting testimony in reference to the character of those certificates, and the methods of dealing in them.

Mr. OATES. Not Mr. Tanner; but a witness in Chicago whom we have subpoenaed to come here?

A. The witness here yesterday or the day before also testified in regard to these things.

Mr. OATES. A witness testified that a gentleman from Chicago exhibited some of these certificates.

The WITNESS. That is Mr. Hedenburg; this man I am talking about is the ex-treasurer of the State of Illinois.

Mr. OATES. But he testified that he had no further knowledge.

Mr. ROWELL. He simply stated that he bought by telegram of S. V. White & Co., and that they held the certificates.

The WITNESS. I think the telegram of Littler and Cameron's telegrams together would give the committee a good deal of information.

By the CHAIRMAN:

Q. Senator Cameron testified he did not send a telegram?—A. Yes, sir; but they do not buy 100,000 dollar-ounces of silver on verbal messages, and the records are there as to whether this thing was done before or after the passage of the Senate bill.

The CHAIRMAN. It was admitted to be before.

Mr. ROWELL. They have got the date of the purchase.

The WITNESS. Not from any records.

Mr. ROWELL. From the date of the check.

The WITNESS. Only from recollection.

Mr. ROWELL. The date of the check is May the 5th.

The WITNESS. It is a very vague recollection on the part of some of these gentlemen when they are dealing in 100,000 ounces of silver.

The CHAIRMAN. But it was on a margin of \$8,000; it does not take much money on such deals as this. If there is any information you can give the committee or any information you can privately present that will lead to the witnesses that can testify to any knowledge as to these matters we will be very glad to have it.

The WITNESS. When it comes into my possession I will give it to you.

Q. I am speaking about any suggestions you may have?—A. At the present I have not any. You asked me if I had any knowledge, and I would simply say this, while I have heard names of a great many members of Congress and others in general gossip and correspondence, while I believe myself some are connected with this pool, I think it is unfair to give the names of those gentlemen, because I have not the testimony to substantiate it.

Mr. PAYNE. I did not undertake to ask that, and I did not want that.

The WITNESS. Well, you came pretty close to it.

Mr. PAYNE. I was asking for the names of witnesses, not members of Congress.

The WITNESS. Those would be witnesses fast enough.

Mr. PAYNE. But I should not stop because they were members of Congress, if they knew anything about it.

Mr. OATES. I want to say just here that while I think myself it would be improper to call upon a witness to disclose the names of those gentlemen he has heard about, that if any member of this committee has information from any source, or to such an extent that he thinks it is competent and expedient to call any members of Congress, of either branch, or give his name to the committee, that that member ought to be called to testify.

The WITNESS. I think I made this point clear in regard to Mr. Stevens. Mr. Stevens did not volunteer, but this was a matter of office information. We are in the same office, and I take the whole responsibility of giving this information away, and it does not rest upon Mr. Stevens in any way.

TESTIMONY OF W. B. STEVENS—Continued.

W. B. STEVENS recalled and examined.

By the CHAIRMAN:

Q. You have been sitting here—did you hear the testimony of General Boynton respecting the information which you furnished him as to the adjournment of the committee, etc.?—A. I heard his testimony.

Q. Was that substantially what you told him?—A. Perhaps I had better tell you how it occurred.

Q. Well, go on.—A. We are in the same office and the general asked me most every night how this thing was getting on, and I have been in the habit of telling him what occurred at the meeting of the committee. This matter about the postponement of Senator Vest's testimony came to my knowledge in this way. The day before I testified, which was Saturday the 17th, I met Mr. Dockery; either I sent in for him or it was a chance meeting; I do not think I had been subpoenaed then. I think he told me the committee would commence taking testimony the next morning and that I would be a witness subpoenaed.

Q. That would be Saturday?—A. Yes, sir. I guess I asked him if he was going to testify, and he said, "No, he could not testify," and he suggested something about the way I should proceed, and said that his understanding was that an adjournment would take place after my testimony the next day until Wednesday, and then he would be prepared to testify. I think he said also Senator Vest.

Q. Was that what he stated to you?—A. No; that was not all. I told General Boynton of Mr. Dockery's suggestion to me that I should not be in any particular hurry about going up Saturday, and not to hurry the testimony—

Q. You mean to say Mr. Dockery suggested to you not to be in a particular hurry on getting up Saturday morning?—A. Yes, sir.

Mr PAYNE. Go on and state what Mr. Dockery said.

A. And that the time would be filled out with my testimony, so it would not be necessary to call any more witnesses and an adjournment would take place. He said Mr. Oates was going to New York and there were reasons why he (Dockery) did not want to testify before Wednesday and why Senator Vest did not want to testify before Wednesday. The general, I understand, got the impression this was a message from the committee.

General BOYNTON. No; I did not testify to that.

The WITNESS. This was simply a conversation between myself and Mr. Dockery, and it was a private conversation, and I told it to the general just as I tell him anything. I do not know that I have any regrets about bringing it out.

By Mr. PAYNE:

Q. Then Mr. Dockery did not pretend it was a message from the committee?—A. No, sir.

Q. He did not claim anything of that kind?—A. No, sir. I do not think he did. Mr. Dockery, perhaps at the same time or about that

time, said if I had any information I did not like to give publicly if I gave it to him it would reach the committee, or something of that sort. When you are through on that point —

Q. Was there anything further said in that connection between you and Mr. Dockery which you have not already stated?—A. Well, it was quite a conversation.

Q. Anything you now remember?—A. About how I should conduct myself?

Q. Anything about the Saturday meeting?—A. I do not recollect anything further.

Q. Did Mr. Dockery give you any reasons why it was not desirable to have his evidence or that of Senator Vest's until Wednesday?—A. I think I told him that I had heard why.

Q. That you had heard why?—A. I think so. I had heard why Senator Vest did not want to appear until Wednesday, from another source.

Q. Well, my question is whether anything occurred between you and Mr. Dockery on that subject; whether he gave any reasons why it was not desirable to have their evidence taken on Saturday but to have it taken on Wednesday. Did anything occur between you and Mr. Dockery in regard to that; was anything said between you and Mr. Dockery as to the reason why it was not desirable to have this evidence until Wednesday or the evidence of Senator Vest until Wednesday?—A. He said there were reasons, and I do not know whether Mr. Cameron's name was mentioned or not at that particular conversation.

Q. Now you say you had heard it from another source?—A. Yes, sir.

Q. From whom?—A. I think from Mr. O'Brien Moore, of the St. Louis Republic.

Q. Mr. O'Brien Moore, of the Missouri Republican. Mr. Moore will be called as a witness. We will try to get as near the fountain head as possible.

The WITNESS. Mr. Dockery and I talked together as though we understood what the cause of the postponement was, and I think he and I understood each other why the postponement was to take place.

Q. I believe you stated you wanted to speak on another subject?—A. I want to say that the person General Boynton refers to as having told him of a conversation which took place is myself.

Q. Will you give us that conversation?—A. I am perfectly willing the committee should know what happened.

Q. Did you hear the conversation?—A. Well, I will tell you how that happened.

Q. Did you hear it?—A. I heard part of it. It was a partial conversation, as I told the general. I came in Thursday morning at 10 o'clock. Senator Vest had testified the evening previously. It was a rainy morning and there was nobody of the committee here but Governor Dingley, at the end of the table. I sat in the next seat to the stenographer, and after a little while you (referring to Mr. Payne) came in. I do not know whether anybody else was in the room or not, but Governor Dingley turned to you and began to whisper to you, and he seemed to become more and more earnest as the thing went on and he raised his voice and was talking out loud before he got through.

Q. Tell the conversation which you heard, which you heard Governor Dingley say and what you heard me say.—A. I heard Governor Dingley say about to this effect: "It was an entire surprise to me; I did not know that he was going to testify to any such thing as that;"

and then you said, "I had not any idea what he was going to testify to"—

Q. Go on.—A. Then there was something said about it could not be helped, not it could not be helped, but—

Q. What was said?—A. I am trying to give it as near as I can, but it has been a week ago. I did not use the conversation in my dispatches, but I simply told General Boynton about it.

Q. Well, give it to us as near as you can?—A. I have given it.

Q. What else was said. You started to say something else?—A. After you said you were surprised and had no knowledge of what was to be testified to, then Governor Dingley made some remark and went on with his writing.

Q. What was that remark?—A. I do not remember now just what it was.

Q. Was that all the conversation you are able to repeat?—A. Yes; that is all of it.

By the CHAIRMAN:

Q. That was what you told General Boynton was the conversation between Mr. Payne and myself?—A. It was the conversation which struck me as if you were trying to explain to each other something in relation to Senator Vest's testimony. That is what struck my ear; I paid no attention while you were whispering, but when you both explained to each other that you had no knowledge of what Senator Vest was going to bring out, and that it was a complete surprise to you, I noticed it.

Q. That is all you heard?—A. With this addition, that you felt the circumstances under which it was brought out were peculiar and that you regretted the time it was brought out.

Q. Did either of us say that?—A. That you expressed regret. I think the word "regret" was used, but I will not be positive.

By Mr. PAYNE:

Q. Who used the word "regret"?—A. I do not know that.

Q. Was it used at all?—A. I will not be positive it was.

Q. Did not you know it was not?—A. I do not know it was not.

Q. Do not you know you did not hear it used in that conversation?—

A. I do not know I did not hear it used in that conversation.

By the CHAIRMAN:

Q. Then all that you testify to of this conversation brought out is that I expressed surprise that evidence should have been brought out that a Senator had been engaged at such a time as that in such a transaction?—A. All of what is brought out?

Q. That I expressed surprise at the evidence of Senator Vest respecting Senator Cameron, and that Mr. Payne said he also was surprised?—A. Yes, sir; both of you said you knew nothing about it.

Q. And that is the whole of it. Do not you think that the publication in the New York Times is a good deal of a story to make out of a simple thing like that?

General BOYNTON. What Mr. Stevens stated to me is what I testified to, and I would like to ask Mr. Stevens if I did not substantially repeat what he stated to me?

Mr. PAYNE. We have got what you said in the reporter's minutes.

General BOYNTON. But a little more on that point will not hurt anything.

Mr. PAYNE. It is a matter for any intelligent man to say whether the

story is the same or not. It is not a question which Mr. Stevens can decide.

The WITNESS. I want to add that I did not publish anything of this matter myself.

General BOYNTON. I want to ask Mr. Stevens if I did not testify substantially what he told me.

Mr. PAYNE. I have no objections at all to his answering, but it is all taken down, and it is not a fair question, to my mind, although I have no objection to his answering.

General BOYNTON. It is not fair, either, to attack Mr. Owenby's character before hearing his testimony.

Mr. PAYNE. I have not attacked his character.

Mr. OATES. I don't think there is any objection to the question of the witness.

General BOYNTON. You heard my testimony; did not I testify substantially to the conversation as you repeated it to me? You heard my testimony.

The WITNESS. Yes.

General BOYNTON. Was it not substantially as you gave it to me?

The WITNESS. That they were surprised——

General BOYNTON. And I mean what I testified to this morning in regard to the statement which you had made to me. I did not give your conclusion, but I gave the statement which was made to me by a gentleman in the committee who had heard this testimony, and I want to ask if my testimony as you heard it was not substantially as you gave it to me?

The WITNESS. I think it was; your statement as to what the gentleman had stated?

General BOYNTON. Yes.

The WITNESS. Yes, sir.

General BOYNTON. That is all.

The CHAIRMAN. The minutes of the stenographer will show just what was published in the Times. General Boynton's message and what Mr. Stevens now testifies was the whole of the conversation.

The WITNESS. I have one more thing. I have a telegram from Mr. Owenby which I received last night; and as there was some question that I was withholding his message from the committee——

Mr. PEEL. I do not think it was intimated by any member of the committee that you were trying to withhold anything. I never heard of any insinuation of that sort.

The CHAIRMAN. I desire to say that it is probable I said to Mr. Payne—as I certainly was—that I was surprised at the testimony of Senator Vest in reference to Senator Cameron, but the suggestion as published in the New York Times is without foundation, as the testimony very clearly shows. The only reason for spending any time on this publication is because it pretends to give our own words, to support the charge that the committee are endeavoring to avoid doing their full duty.

TESTIMONY OF HON. A. M. DOCKERY—Continued.

Hon. A. M. DOCKERY, recalled and examined.

By the CHAIRMAN:

Q. You have heard the statement which Mr. Stevens has just made?—

A. Yes, sir.

Q. What have you to say in reference to it?—A. I think it is substantially accurate, except I do not think I said that Senator Vest did not want to testify. I think he misunderstood me in that matter. As I now remember, I expressed my desire that Senator Vest should not testify and my own desire not to testify until Wednesday.

Q. You meant you made no impression that the committee desired anything of that kind?—A. Oh, no, sir.

Q. And no communication from the committee?—A. Oh, no, sir. Is there any testimony to that effect? I did not hear all the testimony.

Mr. ROWELL. That seems to be the conclusion.

The CHAIRMAN. That was the impression conveyed, I do not know whether it was intended or not, in the first testimony.

The WITNESS. By whom?

Mr. PEEL. I think the effect of General Boynton's evidence was he heard a message, received from Mr. Stevens or conveyed by some one, that the committee did not desire—that is, the committee desired that he would either testify slowly or something of that kind.

The WITNESS. I made no such statement to anybody.

General BOYNTON. I did not testify that here.

By the CHAIRMAN:

Q. You had no knowledge that any member of the committee desired to have a postponement on that account?

The WITNESS. I did have knowledge the day the committee was appointed. You came to Colonel Oates, and I heard him tell you in my presence that he could not be here Monday and Tuesday because he had a prior engagement in New York.

Q. So your suggestion as to the postponement was simply in reference to your knowledge that Colonel Oates said he could not be here on Monday or Tuesday. Was that the reason?—A. No, sir.

Q. Why did you suggest that?—A. I did not give him any reason; I did not give Mr. Stevens any reason at all.

By Mr. ROWELL:

Q. Did you suggest he should draw his testimony out at length so as to prevent Mr. Vest coming before the committee?—A. No, sir. That was myself; I did not want to testify that day.

Q. You suggested he should delay coming here and make his testimony as long as possible?—A. Just as long as possible.

Q. On your own account?—A. Yes, sir; to filibuster against time.

Q. Did you intend to lead any one to the belief that that was agreeable to or in connivance with the committee?—A. I stated no such thing. I intended no such thing, and have no idea the committee had any such intention. As far as the committee is concerned, I have no knowledge whatever that the committee desired delay.

Q. That is, that the committee.—A. I mean the delay from Saturday until Wednesday.

Q. Did you suggest to any one that the committee had been cognizant of the purpose of delaying the bringing out of any fact as coming

from you?—A. No, sir; oh, no. You mean the delay from Saturday until Wednesday; no, sir.

Mr. OATES. We are getting to a point where I would like to know whether the committee is under investigation or the silver pool.

Mr. ROWELL. I want to say this, that some of these suggestions here that were made placed the committee somewhat upon an investigation. It was testified here to by General Boynton that the justification of this dispatch were facts that came to him and that these facts justified his believing that the committee were doing this thing. I want to bring out the fact that General Boynton's dispatch was not justified, that his information was imperfect, and I think it is a proper thing to do.

Mr. OATES. My suggestion did not question your motive at all, but it does seem as if the committee was under investigation.

Mr. ROWELL. General Boynton brought that out and I thought it was proper it should be brought out by Mr. Dockery.

By the CHAIRMAN:

Q. Did you know at the time you had your conversation with Mr. Stevens that Senator Vest did not desire to testify until Wednesday?—

A. I do not think that I had any conversation direct with Senator Vest on that question.

Q. Did you have any information?—A. Yes, sir; I had information that induced me not to desire to testify until Wednesday, and I knew Senator Vest had the same information.

Q. That he did not desire to testify?—A. No; I did not say that. I never said that, Mr. Chairman. I said I did not desire to testify and I knew that Senator Vest had the same information that I had, because I got it from him.

Mr. OATES. And you did not want to bring it out?—A. Yes, sir; I did not want to bring it out; certainly not. I desire to make no concealment about anything.

By Mr. PAYNE:

Q. What is the reason of it, if there is no concealment about it?—A. Well, sir, I had better go back a little, if you will allow me, to some original information, as a starting point. I will give you the reasons. Subsequent to the passage of this resolution by the House I formed a belief that there were parties who might desire to use it in respect to another bill. During the time it was pending I was informed by a Senator that another Senator had approached him—I do not use the word "approach" in an offensive way—and had suggested to him that it would be just as well to let the resolution for an investigation drop. To that suggestion the Senator who was approached replied that he could not afford to do that, that he himself desired the resolution pushed. Now, Mr. Chairman, I have said another Senator approached this Senator; perhaps I had better modify that and say another gentleman. I am quite sure, however, that it was a Senator. He replied, as I stated a moment ago, that he could not do that, as he wanted the resolution urged, and he then asked the gentleman who had approached him why he wanted it dropped. He said he did not care about it himself, but some of the "boys" had bought silver and his impression was that they were a little nervous. He did not seem to care anything about it himself; and when asked to state who the boys were he gave the names of two Representatives.

That conversation was reported to me and thereupon I pushed the

resolution. So far as the reason for the delay to Wednesday is concerned I will state very frankly what it was. I believed that influences were being brought upon the Senator in question to make him vote for the force bill. I had, however, a faint hope, without any assurance directly or indirectly from Senator Cameron, or any knowledge from him, that if elected he would vote against the force bill. I therefore desired my testimony delayed in the hope of getting one more vote, although I had no intimation from him that he would vote against the bill. It was a "straw" which proved to be very substantial.

Q. Then you are the man who wanted the testimony in reference to Senator Cameron postponed from Saturday to Wednesday in order to have a vote upon the election in Pennsylvania?—A. I did not think an exposure at that time would possibly enhance his prospects. I want it distinctly understood, however, that I had no knowledge, either directly or indirectly, from the Senator, or any assurances as to how he would vote; but we all heard the gossip which was floating around the Capitol that he was doubtful on the election bill, and in the hope that we would get another vote against the measure I was willing, quite willing, to delay my testimony for two or three days. That is the case.

Mr. OATES. Do you feel willing to give the names of the members of the House of Representatives who were named as having purchased silver, or would you prefer to give the names privately to the chairman?—A. I would prefer to give the names privately.

By the CHAIRMAN:

Q. You mean to say you had no knowledge respecting the matter?—A. No; I told you that before.

Q. It was mere rumor?—A. No, I did not say that, Governor. I stated distinctly that a gentleman approached a Senator and suggested that the resolution for investigation be dropped. That was the idea. I am not undertaking to quote the exact language. The Senator replied that he could not do that, as he desired the resolution pressed. The party who approached him did not express any apprehension on his own account, but said some of the "boys" had bought silver, and when asked who the boys were he named two Representatives.

Q. Was this a Senator who gave you this information?—A. Yes, sir.

Mr. PAYNE. Who was the Senator who gave you the information? What is his name?—A. Senator Vest.

The CHAIRMAN. That two members of the House approached him?—A. No, you haven't got that right.

The CHAIRMAN. Well, the stenographer's minutes will show what he said exactly.

By Mr. PEEL:

Q. I would like to ask you a question. You have stated you had no information directly or indirectly how Senator Cameron felt on the force bill. This suggestion you made to Mr. Stevens, was it all from your own judgment as to what might be the result?—A. I did not catch the question.

Q. I understand you to say it was your own motion that you approached Mr. Stevens and spoke about the delay, that you did not want to testify until Wednesday?—A. I met him in the east corridor and stated to him that I did not want to testify until Wednesday.

Q. It is true, you have stated it, that you had no knowledge directly or indirectly in regard to Senator Cameron one way or another?—A. I make that statement as just to him; it is true.

Q. Is it not a fact you had heard various rumors about him, and upon a matter of judgment of yourself thought he might vote against it?—A. That is what I stated; that I did not know anything at all, but it was a matter of newspaper rumor and corridor gossip.

Q. And you formed your opinion from—A. From his position on the bill, which has been in question, as I understood from the newspaper press, for weeks past, and I was simply willing to take the chances of getting another vote against the election bill, without knowing anything about it.

Q. It was matter of judgment of yourself?—A. Certainly. I had no information, either direct or indirect, from him. It was a matter of newspaper rumor and corridor gossip that his position on this question was doubtful. Looking at this silver question as I did, I did not think my testimony would do him any good, but as it developed when I was called before the committee I was not asked to testify.

By Mr. PAYNE:

Q. Who did not ask you to testify?—A. The committee did not.

Q. Did not they ask you to give any information you had?—A. I was asked to give the name of my informant.

Q. Exactly. You gave the name of Senator Vest, and immediately he was called and disclosed his part of it.—A. I did not intend or mean the statement to reflect upon the committee.

Q. But you did.—A. I think the committee is unduly sensitive; that is my view about it; at least one member of it. I did not mean to reflect upon the committee at all.

By Mr. OATES:

Q. In your statement you meant, as I understood you, to negative the idea of any information, understanding, or agreement on your part or that anybody had with Senator Cameron about his position to vote on the force bill?—A. I stated, and I will reiterate, that I had no knowledge, either direct or indirect, as to how he would vote, except gossip in the corridors and in the newspapers. In fact, he published a letter in which it was stated he had not said how he would vote. It was a letter in answer to some gentleman residing, I think, at Lima, Ohio.

Q. And it was this action that you stated awhile ago you were willing to take the chances of withholding your testimony?—A. Yes, sir; and I am very glad I did it.

Q. When you were before the committee in the first testimony, my recollection is that you gave, when we called on you for information, the name of Senator Vest?—A. Yes, sir.

Q. And it was from Senator Vest that you got the information which you have here disclosed in your testimony now, as I understand it. Your testimony is really hearsay coming from Senator Vest?—A. Yes, sir.

TESTIMONY OF O'BRIEN MOORE.

O'BRIEN MOORE, sworn and examined.

By the CHAIRMAN:

Q. Give your full name.—A. O'Brien Moore.

Q. And your business?—A. I am a correspondent of the St. Louis Republic here in the city of Washington.

Q. Did you have any knowledge of any purchase or holding or of

any speculation in silver by any pool, combination, association, individual, or individuals during the pendency of the silver legislation of last summer or since that time?—A. No, sir.

Mr. ROWELL. It is stated here there was a silver committee from New York this fall at the Shoreham. Do you know anything about such committee; and, if so, what do you know?—A. No, sir; I do not know anything.

Q. You have no personal knowledge?—A. Not a bit, sir.

The CHAIRMAN. I find this statement in the Washington correspondence of your paper under date of January 15 [exhibiting extract]. Do you recognize that article as yours?—A. Yes, sir; it is mine.

Mr. PEEL. Maybe I had better ask Mr. Moore about that. Your attention has been called to that article, and I believe you stated you are a correspondent of this paper?—A. Yes, sir.

Q. You did not mention any names in that article, but, of course, I understood whom you alluded to when you speak of the Kansas member. You may just state who that member was.—A. Well, the Kansas member referred to was Judge Perkins.

Q. And I suppose the Democratic member of the committee was myself?—A. Yes, sir.

Q. Have you any knowledge of anything he did or said to the Speaker in regard to the forming of this committee, except what I told you?—A. No, sir.

Q. I suppose that is all you know?—A. Yes, sir.

Q. That is all you knew about the appointment of the committee?—A. Yes, sir. I knew that some of the Democratic members—that Mr. Dockery had written to the Speaker and recommended to the Speaker Mr. Browne of Indiana as one of the members of the committee.

Q. Just state to the committee all I told you, just what I said and how it came out.—A. Well, since the publication in the Globe-Democrat recently, that members of Congress were engaged in this silver pool, there has been more or less gossip, I suppose on the floor of the House as well as in the corridors, as well as in the press gallery, and I indulged in it as well as others. Mr. Perkins's name was one of the names that had been talked about. While I did not know it, I knew you and Mr. Perkins were warm personal friends, and I thought perhaps if his name got mixed up with this pool that it would be embarrassing to you and I went and told you so, and I told you he had been gossiped about, and you told me that could not be so because he had informed you before you were appointed that he had gone to the Speaker and urged him to appoint you—

Q. Was that the language used?—A. I think we met at the restaurant—

Q. Let me repeat over what I think I said and see if I do not repeat substantially the run of it. You approached me and first asked when we would meet. I told you when and where. You approached me in a confidential way as a friend, which I regarded you at that time and do yet, and I think your language was that you had an opinion that I ought not to serve on the committee. I asked you why and you replied, of course I do not mean to use your identical language, but substantially, that you thought some of my friends might be connected with it and that it might be embarrassing to me. I asked you who it was and you said Judge Perkins; that it was rumored he was connected with the matter, and you said, "I know your relations personally with him are very friendly and it might embarrass you." I think I remarked

that certainly can not be so, because a while ago while we were at lunch he remarked to me that among other names my name had been mentioned and spoke of my going on the committee, and then he said our boys (meaning his side) were entirely satisfied; that they all regarded me as a fair-minded man, and then I think I furthermore said to you that if a member of Congress had secured my appointment for the purpose of protecting him that he had sawed the limb off between him and the tree most certainly; that I intended to hew to the line, let the chips fall where they would.

The WITNESS. That is substantially the conversation.

Q. That is correct; that is true?—A. You told me in addition that if you were on the committee you would do your level best to bring the facts out, whether the man was a friend or not.

Q. And I furthermore said I could not go on the floor and ask or decline to serve, because it would look like I was afraid of something of that kind?—A. That is substantially the conversation.

By the CHAIRMAN.

Q. This expression, "this Kansas member of the House," whom you say is Perkins, "is mixed up with a silver pool." What do you mean by "mixed up"?—A. Well you are an old newspaper man yourself and know it was discussed——

Q. I want to get at evidence.—A. It was only a floating rumor and his name was mentioned among other names. It is this gossiping about here which is being indulged in.

Q. And you had no information beyond the fact that his name was mentioned by a rumor in the air, as it were?—A. Yes, sir; the subsequent evidence of Mr. Dockery, which was given a while ago, and I will go a little further and say Mr. Perkins was one of the two members of the House that the Senator Mr. Dockery referred to told Vest were over there and trying to prevent the investigation. Mr. Dockery said two members of the House went over and urged Vest to have the investigation stopped and I was told that he was one of the men named as being over there.

Q. That is, that Mr. Perkins was one of the men named as having been over there trying to stop the investigation?—A. Yes, sir.

By Mr. PEEL:

Q. Have you any knowledge that would be evidence to the committee whether Judge Perkins or any other member of the House or Senate was connected with the purchase of silver bullion or silver certificates representing silver bullion during the pendency of silver legislation or since that time?—A. I think I have answered that question before; that I have no personal knowledge.

Q. I was not in when you were asked that question.—A. I have no personal knowledge at all.

By the CHAIRMAN:

Q. Has any Senator or Member of Congress ever stated to you that he had any connection in any direction whatever or that he knew of members who had purchased silver bullion or silver certificates?—A. No, I have heard it stated that Ketcham, of New York, and Clunie, of California, had bought silver; in fact, I think Clunie said that he was sorry because he lost instead of making anything. I heard he was willing to own up.

Q. Do you remember from whom you heard that statement?—A. No, I can not say how that is. You know how these things go around. 1

have heard that they said they were quite willing to come and testify that they had bought silver, and I think Clunie said that he lost.

Q. I understand you to say that no Senator or Representative or official of the Government has ever stated to you that he had any interest in the purchase of silver pending this legislation?—A. Yes, sir.

Q. And that you have no information or knowledge respecting the matter?—A. That is correct, sir.

Q. Beyond the simple rumor you have mentioned?—A. Beyond the simple rumor, and I have no doubt you gentlemen have heard the very names I have if you would just own up to it.

Mr. ROWELL. I want to say this is the first I have heard of it.

The CHAIRMAN. I never heard of these two names.

Mr. PEEL. I never heard of them. It seems strange to me that I never saw that article in the Republic. Is there any other information you have which we have not got?—A. I have no information of my own knowledge. In regard to Mr. Stevens and this delay, I think I told him I knew Vest and Senator Cameron were personal friends, and I was pretty certain he would not testify before the Senatorial election.

Q. You had no knowledge beyond that impression?—A. No, sir.

TESTIMONY OF HON. SAMUEL W. PEEL.

Hon. SAMUEL W. PEEL, sworn and examined.

The witness said, I only want to say in relation to Mr. Moore that we had that conversation as stated, and I want to state I had no knowledge directly or indirectly of Judge Perkins or anybody else pressing my name as a member of this committee. I did not know anything about it. The fact is I never had heard any conversation from any source whatever that Judge Perkins was connected in the matter one way or another.

The CHAIRMAN. Of course, we shall hear from Judge Perkins himself.

The WITNESS. I had never seen that article in the Globe-Democrat, as I left home and went into Mr. Breckinridge's district, and I do not take the Globe-Democrat, nor did I hear about this matter one way or another.

Mr. MOORE. I will say I did not mention Judge Perkin's name voluntarily, and I would not have done it but for the way you brought the question in.

The WITNESS. As it was stated a member of Kansas, I thought it best to bring the whole matter out.

Thereupon the committee adjourned until Thursday, January 29, at 10 a. m., 1891.

ROOM OF COMMITTEE ON RIVERS AND HARBORS, *Thursday, January 29, 1891.*

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 10 a. m., Hon. Nelson Dingley, jr., in the chair.

Present: The Chairman, Messrs. Payne and Rowell.

The CHAIRMAN. Mr. Ketcham is present and desires to make a statement.

TESTIMONY OF HON. JOHN H. KETCHAM.

Hon. JOHN H. KETCHAM, sworn and examined.

By the CHAIRMAN:

Q. Give your full name.—A. John H. Ketcham.

Q. Mr. Ketcham has noticed by a statement before the committee of some witness yesterday that his name has been mentioned in connection with the purchase of silver, and he desires to make a statement in reference to the same.

The WITNESS. I will state that I noticed in the morning papers that a gentleman named Moore stated that he heard that I had been interested in dealings in silver, and I desire to state most decidedly and emphatically that I never bought or sold an ounce of silver in my life and never was connected with any silver transaction. Why the gentleman should use my name is unaccountable to me. It is not evidence and is simply a hearsay statement, and I thought it was my duty to come forward promptly and deny the accusation.

By Mr. PAYNE:

Q. Have you ever bought any certificates representing silver?—A. I saw published in the newspapers——

Q. But I say, did you ever buy any certificates representing silver?—A. Never.

Q. Or ever have any dealings in silver or anything representing silver?—A. Never in any way directly or indirectly interested in any silver transaction in my life.

By the CHAIRMAN:

Q. Have you knowledge of any Senator or Representative or official in Congress having bought or sold or dealt in silver or silver certificates?—A. Nothing except what I have seen in the newspapers.

Q. No knowledge in the matter; you have simply heard the mere rumors going around?—A. That is all.

Q. Were you subpoenaed to come before the committee?—A. Oh, no, I came voluntarily on my own motion.

By order of the committee, Mr. Dingley, the chairman, was directed to offer the following resolution and order in the House:

Whereas the special committee appointed by the House of Representatives to investigate alleged silver pools, etc., report that on the 22d day of January, 1891, by request of said committee, the Speaker issued his warrant, directing the Sergeant-at-Arms or his special deputy to subpoena J. A. Owenby to appear before said committee in the room of the Committee on Rivers and Harbors on the 29th day of January, 1891, at 10 o'clock, a. m., to testify touching matters of inquiry committed to said committee; and that on the 24th day of January, 1891, service was duly made on said J. A. Owenby, but that said J. A. Owenby has refused or neglected to obey said subpoena and testify before said committee. And inasmuch as the committee are of opinion that it is necessary for the efficient prosecution of the investigation ordered by the House that said J. A. Owenby should be required to respond to the subpoena and testify before said committee in relation to the connection of members of the House of Representatives with the alleged silver pool, as stated in detail in the Washington correspondence of the St. Louis Globe-Democrat, under date of September, 1890 (which correspondence is printed in Congressional Record of January 13, 1891), it appearing by the testimony of W. B. Stevens, the correspondent of the said paper, before your committee on the 17th day of January, 1891, that the said J. A. Owenby was the authority for the statements therein contained, and claimed to have personal knowledge of the alleged facts therein stated, and also referred to in the letter of said Owenby to the said Stevens, dated Chicago, January, 1891, as hereto attached (copies of subpoena, return of deputy sergeant-at-arms, and certificate of

his appointment are hereto attached), we therefore recommend the adoption of the following order.

N. DINGLEY, JR.,
S. E. PAYNE,
J. H. ROWELL,
S. W. PEEL,

Committee of Investigation.

Therefore be it ordered, That the Speaker issue his warrant directing the Sergeant-at-Arms attending this House, or his deputy, commanding him to take into custody forthwith wherever to be found the body of J. A. Owenby and him bring to the bar of the House to show cause why he should not be punished for contempt; and in the mean time keep the said J. A. Owenby in his custody to await the further order of the House.

Thereupon the committee adjourned until Friday, January 30, 1891, at 2 p. m., unless called together previously by the chairman.

ROOM OF COMMITTEE ON RIVERS AND HARBORS,
Friday, January 30, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m., Hon. Nelson Dingley, jr., in the chair.

Present: The chairman, Messrs. Rowell and Peel.

The CHAIRMAN. Mr. Dockery has asked to make a further explanation to the committee, and is here for that purpose.

TESTIMONY OF A. M. DOCKERY—Continued.

A. M. DOCKERY, recalled and examined.

The witness said: I desire to say, Mr. Chairman and gentlemen of the committee, that the stenographer's notes of my testimony were handed to me on yesterday, and I ask to make an explanation so as to make the matter clear and distinct. The statement I wish to make is this:

Inasmuch as the testimony (as reported by the stenographer) submitted the 28th instant was given hastily and without sufficient elaboration, I desire to briefly restate the reasons why I did not wish to testify until the meeting of the committee on Wednesday, January 22d instant. I do this because my testimony may be so misconstrued as to do injustice both to Senator Cameron and myself, thus placing us in a relation to the matter not warranted by the facts nor by the testimony as I intended it to be understood.

My motive and purpose in desiring such delay was this: The force bill was then pending in the Senate. I was desirous that it should be beaten. The attitude of nearly every Senator in respect to that measure was very generally understood except that of Senator Cameron. The election of his successor was to take place on Tuesday, the 21st instant. It was not known that if Senator Cameron was reelected he would vote for the force bill, but his attitude of uncertainty led me to indulge the hope that he would vote against it. Under these circumstances there was nothing to induce me to desire that another Republican should succeed him. I did not wish to be the cause of making public at that juncture any private business transaction of the Senator of which I had information, that might be entirely legitimate and proper and which could, before an opportunity was afforded him of showing its entire propriety, be used by his political enemies to his detriment.

I had information that Senator Cameron had made a purchase of silver, at some time during the last session of Congress. I had no knowledge that he was connected with any pool, nor had I any knowledge or information that would warrant me in a conclusion as to the propriety or impropriety of the purchase made by him. I merely had information as to the simple fact that he had made a purchase of silver, but no knowledge as to the time and circumstances of the purchase. I believed it to be but justice to the Senator that such fact should not be made public by me when it might be used by his political opponents to his immediate injury without time or opportunity for him to prevent the same by explaining the facts and showing the propriety of the transaction, if it was in fact proper.

There was no agreement or understanding, directly or indirectly, between Senator Cameron and myself or any other person that my testimony should be delayed in consideration of or as an inducement for the Senator to vote against the force bill. I have no personal acquaintance with Senator Cameron. I was not requested by any person to delay my testimony, nor was any suggestion to that effect made to me by any person. I acted upon my own judgment, induced thereto solely by the facts and reasons I have stated.

The whole matter was: I believed the attitude of the Senator might be friendly to my people upon a measure of vital importance to them, and I was unwilling that an isolated fact should be used to his injury at a time when he might be powerless to explain or defend.

There is another thing, Mr. Chairman, I want permission to correct before it is printed [going over to the chairman and explaining same].

The CHAIRMAN. This is the modification you desire to make: Instead of, "During the time this resolution was pending before the Committee on Rules, I formed a belief there were parties who might desire to use that in respect to another bill," and you desire to modify it by saying—

The WITNESS. "Subsequent to the passage of the resolution by the House, I formed," etc.

Q. Subsequent to the passage of the resolution by the House I formed a belief, etc.—A. Yes sir.

Q. You state, "that during the time that was pending," that is, the matter of the investigation, "I was informed by a Senator that another Senator had approached him"—A. Another gentleman, I said.

Mr. PEEL. I remember your modification in your further testimony.

The CHAIRMAN. You stated first, a Senator, and then you stated, a gentleman—"and suggested to him it would be just as well to let the matter of the resolution for an investigation drop." By what Senator were you informed?—A. I gave the name of Senator Vest.

Q. "That another Senator," as first stated by you and then modified to another gentleman, "had approached him." Are you willing to give the name of the other gentleman?—A. I will give it privately if I am required to do so.

Q. "To that suggestion the Senator who was approached replied," etc.—that is, Senator Vest—"that he could not afford to do that; that he himself wanted the resolution pushed." You say afterwards, "I am quite sure it was a Senator, though." "He then asked the gentleman who had approached him why he wanted it dropped. He said he did not care about it himself, but some of the boys had bought silver, and the impression he got was they were a little nervous," and when he was asked who the boys were, he gave the names of two Represent-

atives, and then you subsequently gave the names.—A. I did not; you never asked for them.

Mr. ROWELL. The newspapers gave the names and stated they were given to the committee.

Mr. PAYNE. The committee has not asked for any names by hearsay. There has been one or two volunteer statements, but the committee has not asked any hearsay statements.

The WITNESS. The whole matter is hearsay.

Mr. PEEL. No, Mr. Dockery was not asked that question, I do not think.

By the CHAIRMAN:

Q. In the conversation with Stevens, as I recollect it, you suggested to him that the committee would adjourn on Saturday until Wednesday?—A. Yes sir.

Q. This was on Friday you had the conversation with Mr. Stevens?—A. I do not remember the day.

Q. At any rate it was before Saturday. How did you know, what were your means of information, that the committee on Saturday would adjourn until Wednesday?—A. If he stated that I said positively—

Q. Or you thought it would?—A. I perhaps stated that it was thought the committee would, and explained the reason why on the former hearing; that is, that when the committee was appointed I heard Mr. Oates say to you that he had a prior engagement to attend some Confederate reunion or something of the kind in New York, and would be compelled to be absent Monday and Tuesday.

Q. You heard him say that to me some time before that?—A. Yes, sir.

Q. And you based your knowledge on the probability of the committee's adjournment on that statement, on that knowledge?—A. Yes.

Q. Had you had any conversation with any member of the committee, with respect to desiring an adjournment of the committee from Saturday until Wednesday?—A. I do not remember that I did.

Q. You are sure you did not?—A. I think not.

Q. Did you suggest to any member of the committee it would be well to adjourn from Saturday until Wednesday?—A. I do not think I did; I do not recollect that I did.

Q. Your suggestion to Mr. Stevens that the committee would probably adjourn from Saturday until Wednesday rested entirely on the remark which Mr. Oates made to me that he must be away on Monday and Tuesday, and you assumed, because of that, the committee would probably adjourn; that was the whole ground of it?—A. That is a statement of the case.

Q. You state that you never intimated to any member of the committee a desire to have it arranged so the committee would adjourn from Saturday until Wednesday?—A. I think not.

Q. You are sure of it?—A. I do not have any recollection of it.

Q. You say that the motive which led you to endeavor to bring about an adjournment of the committee from Wednesday until Saturday was that the evidence you knew was coming out against Senator Cameron should not be presented until after the date of the Senatorial election in Pennsylvania, that it might not have the effect of prejudicing his election as Senator?—A. Yes, sir.

Q. You knew that he had purchased silver at that time but you did not know what the circumstances of the purchase might be?—A. I have so stated in the statement which I have just submitted.

By Mr. PAYNE:

Q. When was your first conversation with Senator Vest in reference to Senator Cameron—how long before this investigation was ordered?—

A. I could not tell you.

Q. Well, about how long?—A. I think it was possible some time—perhaps shortly before the passage of the resolution by the House.

Q. What did he say to you in reference to Senator Cameron's speculation?—A. I do not believe he said anything about Cameron's speculation.

Q. Well, about Cameron's buying silver.

Mr. PEEL. Would not that be hearsay? You are violating the very rule you laid down some days ago.

Mr. PAYNE. No, Mr. Vest has been called and stated what Mr. Cameron stated to him.

Mr. PEEL. It strikes me in order to know what Mr. Cameron said we ought to call Mr. Vest.

Mr. PAYNE. Did you have any conversation with Senator Vest after the committee was appointed by the House and before your testimony, the week following?—A. I do not remember whether I did or not; I had several conversations.

Mr. ROWELL. What you want to get at is, whether he had any conversation with reference to the delay—to the adjournment.

Mr. PAYNE. I will get at it in my own way, Mr. Rowell, if you will give me time. Now, after the investigation was ordered by the House did you have any talk with Senator Vest with reference to the examination before the committee, or in reference to your or his testimony—any conversation?—A. I think very likely I did.

Q. Do not you remember?—A. I had several conversations, but I do not remember the dates of the conversations.

Q. But I say, subsequent to the order of the House ordering the investigation, can you state whether any of these conversations were before Wednesday, when you testified, or were between the order of the House ordering the investigation and Wednesday when you testified?—A. I can not state definitely; no, sir.

Q. Did you have any conversation with Senator Vest when the subject of an adjournment from Saturday to any other time was mentioned prior to the adjournment?—A. I think not.

Q. Or when the subject—A. I may have stated to him incidentally—

Q. Stated what?—A. I may have stated incidentally that the committee would probably adjourn. I had that information just as I have stated, but I do not remember it.

Q. You do not know whether you mentioned that to Senator Vest or not?—A. No, sir.

Q. Did you have any conversation with Senator Vest in which the approaching Senatorial election in Pennsylvania was talked about prior to the election?—A. I do not know; I do not remember that I did specifically.

Q. Do you remember in a general way whether you did or not?—A. I remember in a general way the desire, perhaps. I could not say I talked with Senator Vest about it; but it was a sort of newspaper rumor that his election was in question; that some Republican was running against him because his attitude was uncertain on the election bill—and there might have been something said about the desire to return him. I knew Senator Vest to be a very strong personal friend of Sen-

ator Cameron's—an intimate friend, and I assumed of course he desired his return.

Q. Do you remember whether anything of the kind was mentioned between you?—A. At what time?

Q. Oh, at any time before the election up to and including the day of election in Pennsylvania, which I believe was Tuesday?—A. I have no definite recollection about it. It is very likely it was mentioned in conversation at some time before.

Q. Did you have any talk with anybody in reference to the approaching election before it occurred?—A. In reference to the approaching election——

Q. Of the Senator in Pennsylvania?—A. I do not remember. I may have done so, and most likely I did.

Q. Do you know whether the subject was canvassed or not?—A. It may have been talked about by myself with somebody as it was a subject of general interest, but I do not remember.

Q. You can not say whether you talked with Senator Vest about it or not?—A. No, sir.

Q. I understand you intend your written statement you made this morning as supplementary to your evidence the other day on the subject?—A. I so stated for the reason that the evidence was given hastily and without elaboration.

Q. But you do not withdraw any of the evidence the other day or correct it in that statement, as I understand it, but simply elaborate and supplement it?—A. I simply explain, not specifically, but explain what I meant in respect to the matters I have referred to in that paper.

By the CHAIRMAN:

Q. Did you have any conversation with Senator Vest in respect to his not appearing on Saturday?—A. Let me call your attention to a matter now, since you mention it, which slipped my mind. I remember to have heard Senator Vest say, I think, that he had written you a note—I remember this since you refresh my memory—stating that he was at your service at any time.

By Mr. PEEL:

Q. I understand you to say both from your statement the other day and to-day that what you did was solely without any knowledge of Senator Cameron as far as you knew; that you had nothing to do with it in any way whatever. What I mean is, you did it without any request or desire on his part; that he knew nothing about your motive or your object.—A. I never spoke to Senator Cameron in my life and never had any relations with him in respect to this matter directly or indirectly.

Q. There was no question between you and him about it?—A. None whatever.

Q. Now, you have stated, from newspaper reports, etc., that his position on the bill was in doubt?—A. Yes, sir, and I will give you——

Q. That is generally understood.—A. I was going to give you a reference to a newspaper.

Q. Oh, we have seen those.—A. There was a published letter written to some gentleman—in Ohio, I think it was—in which Senator Cameron said that he had not stated how he would vote.

Q. The motive which operated you was not to be instrumental in prejudicing the defeat of that bill; that is, to do anything that would have anything to do with his election, so as to prejudice the position of the bill? Perhaps you did not catch my idea?—A. I do not.

Q. You say your object was, that you did not want to develop the fact at that particular crisis that would give his enemies a chance to use on him before he had an opportunity to explain the circumstances concerning it, so it would have an effect upon his election one way or another?—A. Yes, sir.

Q. Was there not another fact? Knowing that the Democrats here were all opposed to the bill, you did not want to have the appearance of precipitating this matter upon him at that particular crisis for fear it would be treated as a political move to crush him, by which it would prejudice his mind in the other direction if he was doubtful about it?—

A. I did not want the question agitated because I thought the agitation of the question regardless of the evidence developed would at that juncture very likely injure him.

Q. Your object was not to screen him in the investigation ultimately?—

A. No, sir, I have not suppressed any evidence; I simply expressed a desire to delay my testimony.

The CHAIRMAN. Until after he should be reëlected Senator.

Mr. PEEL. Or until after the election should come off.

The WITNESS. The reasons for it I have heretofore fully stated.

Here the committee took a recess until 2 o'clock, and at 2 o'clock no witnesses being present the committee adjourned until 10 o'clock, a. m., Saturday, January 31, 1891.

ROOM OF COMMITTEE ON RIVERS AND HARBORS,
Saturday, January 31, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 10 A. M., Hon. Nelson Dingley, jr., in the chair.

Present, the chairman, Messrs. Payne, Rowell, Peel, and Oates.

TESTIMONY OF J. M. DONALD.

J. M. DONALD, sworn and examined.

By the CHAIRMAN:

Q. Please give your initials?—A. J. M.

Q. And your business?—A. Cashier of the Hanover National Bank, of New York City.

Q. Are you acquainted with Mr. J. A. Owenby?—A. Yes, sir.

Q. Have you had any business connection with him, and, if so, what?—

A. I have met Mr. Owenby about a year ago, in November, and this connection we had was not direct; it was correspondence in North Carolina.

Q. You mean the bank?—A. One of the bank's correspondents in North Carolina. He was acting for them about something and that was about a year ago. He came in to see me; I never went to see him; and that dragged along until February, I guess, and that was the end of that. Then in May he came on and said he was strapped and I loaned him \$250.

Q. Last May?—A. No; I will say it was last April; and he said that he had some claim against the Government or some bill which was pending which was bound to be passed and he would pay me out of that. Then he came in at intervals and he would tell me what gossip was

going on in Washington. He was at all times coming in and saying that silver was going up and matter of that nature, and I listened to him and that was all until it came to be some part of last June, when, as far as I remember—now, I do not know anything about legislation and have not the slightest idea how legislation runs—but I think the House had passed one bill and the Senate had passed another bill in regard to this silver question. Then there came to be a conference committee and he talked a good deal about it and I said that I did not care anything about silver; that all I would like to know about it was whether the portion of the House bill that takes \$70,000,000 redemption fund, whether that would continue in the bill when settled between the two Houses, and then he commenced to talk and induced me to offer him \$250 to keep me posted whether that would be in the bill or not, which he did not in any sense, because I knew all he told me through the newspapers anyway, but I kept my part of the agreement and he was paid. The last time I saw him I think was after the bill had actually passed and had become a law. At this time he wanted me to buy silver for him and I said I would not buy silver for anybody. He went out and that is the last time I saw him and have never laid eyes on him from that time to this.

Q. Is that the whole of that transaction as between you and Mr. Owenby?—A. That is the whole transaction.

Q. Was Mr. Owenby ever associated with you, directly or indirectly, in the purchase of silver?—A. No, sir.

Q. Had you any knowledge of the purchase of silver pending the silver legislation or since then?—A. No, sir.

Q. You never have been interested directly or indirectly in the purchase of silver?—A. Never directly or indirectly in the purchase of silver.

Q. You had no agreement or arrangement with Mr. Owenby by which he was to have an interest in the profits of the purchase of silver by yourself or by any person with whom you were acting or with whom you were associated?—A. No, sir; no agreement of any kind.

Q. You did have an agreement with him; if I understand your testimony, he having borrowed \$250 of you, you would surrender that note—A. No, sir; that was not the agreement at all.

Q. What was the agreement?—A. That he should keep me posted as to whether this redemption fund portion of the silver act would remain in it or not.

Q. You were to pay him \$250 for that information?—A. Yes; keep me posted, that is all.

Q. Did it ever occur to you that by simply writing to your Representative in Congress you would get better information and more reliable information than by paying anybody?—A. It was very foolish in me to make that agreement, that was all. He talked me into doing it.

Q. Do you say that you paid him that \$250 solely for his furnishing you information in reference to whether that provision respecting the redemption fund of the national banks was to be turned into the Treasury or retained in the trust fund?—A. That is the object.

Q. Why did you want to find out whether that was likely to become a law or not?—A. I presume it was your bill originally; I believe it was known as your bill, the Dingley bill.

The CHAIRMAN. Yes; that was in the Congress before.—A. And I had written both to Senator Plumb and the chairman of the Banking Committee, which two gentlemen I am acquainted with, urging that that fund should be turned into the Treasury in some form or other; of

course I did not know how legally it could be done or otherwise. I supposed I bothered Mr. Plumb and Dorsey enough, and I did not want to bother them any more when it came before the conference committee, because I did not know I would have the right to do it, and I did not know whether Mr. Dorsey would be on the committee or not.

Q. Why did you have an interest in knowing that was to be in there?—

A. It was a general interest because it was felt at that time that it was a necessary thing, and that it would affect the finances of the country very largely whether that fund was turned in or not; and secondly we have a great many national banks who do business with us, and they are continually writing to ask the effect of that law, therefore I thought I was only doing right in keeping myself posted with that section of the bill.

By Mr. PAYNE:

Q. How were you to get your money back?—A. Oh, the bank paid me; it was not an act for myself personally, not the slightest—

Q. The bank thought it was worth \$250?—A. For information on that subject. I had no personal—

Q. I was wondering how the bank would get the money back.—A. For instance, the bank has to pay a great deal for information, you have to pay commercial agents, newspapers. If you are doing a large business, you have to keep up your information. I never had any direct interest, not the slightest.

Q. Would that enable them to prepare for a stringency in the money market?—A. It would to some extent.

Q. You know what to prepare for?—A. Yes, sir.

Q. Why in that sense?—A. It was general information, not specific.

Q. Do you know anything, or have you information now, about the existence of a silver pool during the last year in New York or elsewhere?—A. No, sir.

Q. Do you know anything about a pool in which members of Congress and Senators own or owned silver?—A. No, sir.

Q. Do you buy or sell silver through your bank?—A. No, sir.

Q. No connection with that kind of business?—A. No, sir.

Q. Or these silver certificates—do you deal in those?—A. No, sir.

Q. Ever receive them as collateral?—A. Yes, sir.

Q. Have you during the last year received them as collateral for the note of any member of either House?—A. No, sir.

Q. Then I understand you know of no silver transaction of any member of the House or of the Senate?—A. No, sir.

Q. Have you ever made any agreement with Mr. Owenby or arrangement where you have repudiated the agreement on your part as testified to?—A. No, sir.

By Mr. PEEL:

Q. Has Mr. Owenby, when he was conversing with you on this subject and negotiating this agreement which you have testified to, professed to be on the inside, on the ground floor, and professed to give better information than others?—A. He thought he could go to the committee or the secretary of the committee and find out what the committee was doing; I do not know whether he could or not.

Q. Did he profess to be in possession of information, superior and earlier information than others?—A. He claimed he could go to the secretary and see the minutes of the secretary and that would keep him posted.

Q. In other words, he professed to be in a position to know in regard

to that character of legislation and professed to be able to keep up with that character of legislation?—A. He professed to be able to go to the secretary of the committee and ascertain this from his minutes.

Q. That is, to keep up by that means with the progress of legislation?—A. I understood that.

The CHAIRMAN. Right in that connection, if you will pardon me, did he profess to have information by which he could further the end which you desired?—A. No, sir.

By Mr. PEEL:

Q. Did he profess to be able to keep you posted; that is, he would keep up with the movement of legislation by which he could inform you by seeing the secretary of the committee or the minutes?—A. That is what his theory was, I think. Of course I did not get much from him; I am frank enough to tell you that. I kept my end of the agreement up and he did not keep his.

Q. I am afraid you did not get much?—A. I am free to say that I got nothing except what was in the newspapers.

TESTIMONY OF JOHN W. HEDENBERG.

JOHN W. HEDENBERG, sworn and examined.

By the CHAIRMAN:

Q. Your full name?—A. John W. Hedenberg.

Q. And your residence?—A. Chicago.

Q. What is your business?—A. Real estate business, dealer in real estate, more especially on my own account than as a broker.

Q. Were you in Washington during last winter and spring?—A. Well, I was here the latter part of the winter and the early part of the spring.

Q. How long were you here?—A. Well, probably about a month, more or less. I then went to New York and spent the greater part of the summer there.

Q. You were back and forth?—A. Yes, sir; I was in Washington several times.

Q. Did you insert on the 10th of March last, in the Washington Star, this advertisement, "Wanted, to engage a journalist who is a ready writer and a bimetallist, familiar with the gold and silver question. Address box 74, Star office?"—A. I inserted an advertisement of substantially that character. I do not remember the phraseology exactly.

Q. What did you want that writer for?—A. I wanted him for the purpose of writing articles in the Washington papers regarding the advantage of the use of joint legal tender in the United States rather than either silver or gold, in relation to which there was a bill then pending before the Committee on Coinage, Weights, and Measures introduced by Mr. Dorsey at my request, and in which line I made an address before the committee. It is a line on which I had been at work in Congress for 2 or 3 years before and in the line of a bill introduced by Mr. Landes before the Committee on Banking and Currency, of which the chairman of this committee was a member, as I remember now.

Q. That was in a previous Congress?—A. Prior to this, and I remember having discussed the merits of that bill with yourself in the room, which I think was in 1887. It was during the last Congress, when Mr. Landes was a member, and he had charge of the bill and pushed it to a conclusion until it was antagonized by the Secretary of the Treasury.

I had a bill introduced in the House prior to that by Mr. Findley, of Maryland, in the same line.

Q. Do you know Mr. E. N. Hill?—A. I think that is the Mr. Hill who responded to that advertisement; I do not remember the initials.

Q. What did you say to Mr. Hill when he came to you in response to that advertisement?—A. I stated to Mr. Hill I wanted a man to write articles in that line. I did not say very much to him in that direction, because as soon as I saw the man I was satisfied he would not suit my purposes.

Q. What else did you say to him?—A. I do not think I said much else to him. I do not remember having more than one or two interviews. His statement is correct about meeting Mr. George in the office, but it was not in Mr. Hill's office but some lawyer's. As I ascertained afterwards, he did not have an office.

Q. Did you say to Mr. Hill, in the presence of Mr. George, "Here is something perhaps you could make money out of more than by writing."

Mr. PAYNE. That was a subsequent conversation, I think.

The CHAIRMAN. Did you say that anywhere?

A. Never at any time.

Q. Did you pull out your pocketbook and exhibit a silver certificate of some kind to him?—A. At some conversation at which Hill and George were present—it must have been subsequent of course—I met them in the corridor out here running from the House of Representatives to the Senate and there had some conversation which was generally on the line of silver legislation without reference to any particular bill or bills, and further I remember that discussion was particularly with George. George is a very talkative man and he pushed the conversation as to the merits of the silver question generally and not in reference to any particular measure; I felt more acquainted with George and we discussed the question as it stood financially and in the estimation of the public and all that sort of thing, and I think Mr. George asked me what was being done in the sale of silver and the mode of selling and handling it, and something to the effect that the mode was a novelty to the community and very few people knew anything about it, and he asked how it was done and in that way it was done, and I told him distinctly how it was done and I happened to have a certificate in my pocket and I exhibited it to him. That is the extent of my conversation about any certificate with him and Hill.

Q. What was the character of the certificate you showed to him?—A. Well, it was a certificate issued—I have got one here and I will show it to you. The day before I left Chicago I wired to my correspondent to send down one so the committee could see it. That represents all the silver I own now. I bought it for that special purpose. That cost me 104 and a fraction.

M. PAYNE. An ounce?—A. Yes, sir; that certificate cost something like \$1,040.

The CHAIRMAN. This is a certificate of the Mercantile Safe Deposit Company, of New York, dated August 25, 1890:

This is to certify that Clark, Dodge & Co.—

The WITNESS. They are bankers in New York.

have deposited with this company silver bullion that will entitle them to receive 1,000 ounces of silver 1,000 fine, deliverable upon the surrender of this certificate properly indorsed.

The terms of delivery are that not less than 1,000 ounces shall be delivered of not less than 988 fine, which shall be reduced by computation to 1,000 fine. Any excess

over 1,000 ounces, 1,000 fine, which excess shall in no case exceed 200 ounces, shall be taken and paid for in current funds, the price to be determined by the last sale at the New York Stock Exchange at the time of delivery. This certificate is subject to a storage charge of 2 cents per day per 1,000 ounces, including day of delivery, which must be paid before delivery. This certificate is not valid unless registered at and countersigned by the Western National Bank of the City of New York, which bank is only authorized to make delivery.

Signed by—I can not read these names.

The WITNESS. It is signed on the margin here by the cashier of the Western National Bank. These men are public men, and of course their signatures and existence can be verified very readily.

Q. And this is on a margin:

This certificate is issued upon the actual deposit of silver bullion which will be delivered on terms specified therein by the Western National Bank of the City of New York.

And this is signed by the cashier?—A. Yes, sir; it is doubly guaranteed, the Mercantile Safe Deposit Company and the Western National Bank. I think it is pretty generally known that that system of dealing in silver certificates of that kind was inaugurated by Secretary Manning when that bank was organized—that is, the Western National Bank.

Q. Now, this certificate appears to have been issued originally to Clark, Dodge & Co.; are they bankers or brokers?—A. They are dealers in silver and general bankers in New York.

Q. It is endorsed by Clark, Dodge & Co. Does that certificate, having been indorsed generally by Clark, Dodge & Co., become transferable without any notice to the Mercantile Trust Company?—A. Yes, sir.

Q. So that the Mercantile Trust Company does not know who to-day owns their certificates, and can not know?—A. It can not know.

Q. There is also this indorsation, "Delivered to John W. Hedenberg or order."—A. I wrote that.

Mr. PAYNE. You say you wrote that yourself?—A. Yes, sir.

Mr. PAYNE. So it could not be transferred?—A. Not without my order.

By the CHAIRMAN:

Q. That is, an order to protect yourself?

The WITNESS. That is a common thing to do when any negotiable paper is indorsed, to show its owner. I did that myself; that is my writing there. I did not care for it to go out of my possession without getting my signature. Most any business man will understand that.

Q. Were you engaged in selling certificates of that character last summer?—A. I bought and sold certificates and held them in that way.

Q. Did you ask Mr. Hill or Mr. George to sell certificates for you?—A. No, sir.

Q. Did you say to Mr. Hill or Mr. George that you wanted them to sell these certificates to Members of Congress?—A. No, sir; I did not ask them to sell them to anybody.

Q. Did you sell any certificates of that nature to any Senator or Representative in Congress or any employé of either House of Congress, or to anyone holding a position under the Government?—A. I never sold any to the parties you refer to or to any other individuals. All my purchases of silver were made through the house of Henry Clews & Co., and they sold it all. I do not know who bought it.

Q. Did you order any purchase of silver or transmit any order or have any knowledge of the transmission of any order for the purchase of

silver by any Senator or Representative in Congress or official of the Government, or employé of either House of Congress?—A. No, sir.

Q. Have you any knowledge of the purchase of silver in any form, other than the form of certificates, or otherwise by any Senator, Representative in Congress, or officer of either branch of Congress or official of the Government?—A. No, sir; no knowledge of any such transaction by men of that class.

Q. Did you ever converse with any Representative in Congress, or official of the Government, or any employé of either branch of Congress showing how profitable it would be to purchase silver certificates?—A. No, sir. I have conversed with members of the House and Senate also regarding the silver question generally, but without any view of inviting them to make any purchases, or to let them know that I was making any purchases. I mentioned to Mr. Dorsey that I was buying silver and his curiosity was raised about how it was done and I explained it to him. I purchased certificates on margin and I carried them pretty largely without margin. I did the same with Mr. Payson; I showed a certificate to him.

By Mr. PAYNE:

Q. What margin was required?—A. Henry Clews & Co. required 5 per cent margin.

Q. That would be about \$50?—A. When I wanted to buy 50,000 ounces of silver I would give 10 per cent to them. Some dealers require 10 per cent. I made an arrangement with a house in New York for carrying silver in London on a margin of 10 per cent.

Q. That was this Calcutta Exchange?—A. No, sir; it was a direct purchase in London through a New York house. I had an arrangement for a large purchase. I have got a letter here—

Q. On what house?—A. August Belmont & Co. I have the letter here. I have nothing to hide in my dealings at all, except so far as when their privacy do not require the public to know anything about them. I opened a negotiation with that house for the purpose of buying silver in London, and you will see from the nature of the letter that they ascertained what could be done through their correspondents, and when they found what they could do, they addressed that letter.

The letter was as follows:

AUGUST BELMONT & Co.,
23 Nassau Street, New York, Tuesday 9, 1890.

Mr. JOHN W. HEDENBERG, ESQ.,
1133 Madison Avenue, City:

DEAR SIR: In reply to your inquiry regarding the purchase of silver in London, we have received from our friends there a cablegram, informing us that they will be willing to advance up to £. Stlg. 400,000 against purchases of silver bars, with a margin of 10 per cent; the advance to be for three months, subject to a commission of one-quarter per cent and 4 per cent interest as long as the Bank of England rates remain at or below 3 per cent, and proportionately more if the bank rates should be raised; brokerage one-eighth per cent, and assay and other charges as incurred. Our commission here for attending to the business would be one-eighth per cent.

Yours, respectfully,

AUGUST BELMONT & Co.

Q. Did you buy any silver through them?—A. No, sir; I did not.

Q. When did you first commence dealing in silver?—A. I do not remember the date.

Q. About when?—A. It was probably—I can not tell within 30 days. I will explain why I can not tell you. I was not in business in New York, and in the hotel of course I simply kept a memorandum book, and the whole account of my silver dealings are on the books of Henry

Clews & Co. When I returned home I entered it in my books in Chicago. Henry Clews & Co. can tell exactly.

Q. You give us as near as you can recollect.—A. I could not tell within 30 days, because I do not know when I commenced buying. Silver was over 100 when I commenced, I am sure.

Q. About what month?—A. It may have been May or June.

Q. When was it you first met Hill and George; that was in March?—A. I can not tell you that, either.

Q. How long after this advertisement appeared in the Star?—A. When? I guess immediately after. I think I inserted that advertisement when I was in Washington.

Q. Up to that time you say you had not commenced dealing?—A. I say I can not tell you. I can get the thing in 2 days by sending to New York.

Q. It was about that time, it was the spring of 1890?—A. I was buying certificates when I had this subsequent conversation because I had the certificate.

Q. That is on the second occasion, according to their testimony, when you showed a certificate.—A. That may be.

Q. Did you go to New York after your first talk with him?—A. Yes, sir; I was back and forth here several times.

Q. What did you say to Mr. Hill about employing him at that time?—A. I told him what I wanted done.

Q. What did you state to him?—A. I stated I wanted a man to write articles for the Washington newspapers on a leading question of finance, and I think I mentioned to him, in regard to the doctrine I told you of, the use of gold and silver indiscriminately in payment of debts, which is a doctrine advanced by very eminent political economists in Scotland a hundred years ago and antagonized by Peel in Parliament—

Q. That is what you said to Hill?—A. No, sir; I am giving you a statement—

Q. Well, confine yourself to what you said to him?—A. That is what I wanted done, and he said he could do it, and I made up my mind that he would not do it for me.

Q. He said he could do it? What did you tell him?—A. I said to him I would consider the matter and see him later. I put him off in that way.

Q. Did you say anything about going to New York?—A. Yes, sir; I spoke of going to New York.

Q. You told him you would go?—A. Yes, sir; I expected to go to New York and return, and I think I probably deferred my final decision until I came back. I think it was quite likely I wanted to drop him as easily as possible.

Q. You did not communicate to the man that he would not answer your purpose?—A. No, sir; I did not want to offend the man.

Q. Subsequently, did you meet him in the corridor of the capitol?—A. I saw those two men again just outside the entrance to the House of Representatives hall.

Q. Was the subject of the writing talked about then?—A. No, sir.

Q. Did he say to you, "Mr. Hedenberg, are you ready for me to go to work at that writing?"—A. No, sir.

Q. Did you say, "We will not need any; this bill suits us exactly?"—A. I did not say anything of that kind.

Q. Talking with them did you use the plural, "we," instead of "I," want this thing done?—A. I do not know I did. If I did it was in the editorial sense.

Q. You can not say whether you did or not?—A. I can not. It is a form of expression men are sometimes careless about.

Q. Did you say, "Here is something perhaps you could make money out of more than by writing." And he said, "What is that?" And you pulled out your pocketbook and took a silver pool certificate for a thousand ounces?—A. No, sir; nothing of that kind.

Q. Did you ever own any of those silver pool certificates really?—A. I had a certificate in my pocketbook, but I did not say that I had a silver pool certificate.

Q. I think you said you showed him that at that time.—A. Yes, sir; but this is a silver bullion certificate; I do not know anything about any silver pool certificate.

Q. You showed—A. A silver bullion certificate, what he called a silver pool certificate, a thing I never heard of until it was stated in his evidence.

Q. Did you say to him, "If you take these and sell to your friends on a margin of \$25 for a thousand ounces, every four you sell you can make one?"—A. I stated nothing of the kind.

Q. And did he state to you, "I might sell some among some business men?"—A. He never said that to me.

Q. Did you say, "We want you to sell them to members of Congress?"—A. I did not say that.

Q. Did he say to you, "the members of Congress that I know are so poor they can not pay a margin of \$25?"—A. Mr. Hill did not use that expression to me.

Q. Did you request him to operate among Southern members?—A. No, sir; I did not ask him to operate among any members.

Q. Did you tell him you would take care of the Illinois members?—A. No, sir.

Q. Or anything of that kind?—A. Nothing of that kind at all.

Q. Was Mr. George present at the conversation you had?—A. I think so. I do not know that that conversation was all at that time. I may have met the gentleman afterwards.

Q. Did you tell Mr. George, somewhere here in the Capitol in April, while on the Democratic side of the House, in the door as you come out of the cloak room; did you have a conversation there?—A. I think not; I think I met him in the corridor, outside.

Q. Did you, anywhere in the Capitol in April, have a conversation in which he said: "Well, how is it going along; I think we have got the boys on the run?" and you said, "Why?" and he said, "The Senate passed the bill and we will have free silver?"—A. No conversation of that kind with Mr. George.

Q. Did you say to him, "You are mistaken, that is not what we want;" and did he say, "No;" and you replied, "No; we want the House bill?"—A. No, sir; no conversation in that line.

Q. Did he say to you, "You will not get it;" and you said, "Yes we will," or words substantially like that?—A. No conversation of that kind.

Q. Then did you go out into the corridor and meet Mr. E. N. Hill, Colonel Hill, and did you say to Colonel Hill, "I have changed my mind about this thing and do not want that work done," and tell him that the House bill suited you?—A. I never discussed the House bill with Mr. Hill or Mr. George. The time that I told Mr. Hill that I did not want his work, I do not know whether it was that time or not.

Q. Did you tell him that you had a pool organized to buy up about a million ounces of silver?—A. No, sir; I did not tell anybody that.

Q. Did you say, "We are going to get more," and ask him if he could place some among members of Congress, and did you say to him you wanted him especially to see members of the House?—A. That is all untrue.

Q. Then did he reply to your proposition, "Mr. Hedenberg, in the first place, I am a free-coinage man, and if any member of the South would go into any such thing of that kind I would expose him and have him expelled?"—A. Mr. George stated nothing of that kind to me.

Q. Did you know anything about a silver pool where a thousand ounces of silver or a million ounces of silver or any quantity of silver was bought up?—A. No, sir; I had no knowledge of any. Of course, the street was full of rumors I had heard.

Q. What do you mean by rumors?—A. What the papers would say and what individuals would say.

Q. Did you know any individual who professed to have any personal knowledge?—A. No, sir; I knew of none who professed to have any personal knowledge about it. I made it a point to get knowledge on that point myself, but I was unable to do it. I could not find a pool, and I wanted to find one.

Q. You wanted to find one?—A. Yes, sir.

Q. What means did you take to find a pool?—A. I went into channels where I thought I would receive information.

Q. For how long a time were you looking for a pool?—A. I looked for it all the time until a few weeks before the question was finally settled before Congress.

Q. Where did you make these inquiries; here or in New York?—A. In both places.

Q. Did you find any anywhere?—A. The best intimation I found of a pool was through a banking house on Wall street that was dealing largely in silver certificates, the same as Clews & Co.

Q. What was that banking house?—A. That was White & Co.

Q. S. V. White & Co.?—A. Yes, sir.

Q. In Wall street?—A. Yes, sir.

Q. You found they were dealing largely?—A. I believed they were. They were quoted as dealers in silver on the Stock Exchange the same as other dealers, but the number of dealers is not very large, and if you get them all in here you will get all the information you want. I went to the house of White & Co. for the purpose of giving them an order to buy silver, as I believed Mr. White as an ex-member of Congress would have facilities for getting information. I did that in a business way for the purpose of getting information.

Q. Did you buy silver of them?—A. No, sir. Mr. White was absent, he was in the West, and his partner, Mr. Hopkins, said they were buying silver on orders and that they were glad to do it. I asked the terms, and they were the same terms as Henry Clews Company. I told him distinctly I wanted to get information about silver and I believed they would have it over other houses because the head of the house had been a member of Congress and he would have knowledge other people would not have. I stated that to Mr. Hopkins very candidly. I had quite a conversation with Mr. Hopkins and told him I was going to Washington and I would see him again before going if I could. I raised the point at once with Mr. Hopkins whether they were not buying and selling silver for Congressmen and told him the reason I came to him was that I thought I could get information from them I could not from any other source. He said he did not think and did not know that they

were buying any silver for Congressmen; that the silver they bought for parties in Washington came through a broker in Washington.

Q. Who was the broker in Washington?—A. That I do not know.

Q. He did not give the name?—A. No, sir. I think you will find out a little further if you will hear me through. I found on returning to the hotel that it was desirable for me to come to Washington the next day and I did not have time to go and see the house again, so I wrote the house a letter——

Mr. OATES. Who wanted you to return to Washington?—A. It was my own business. I found on going home to my hotel it was desirable for me to go to Washington.

By Mr. PAYNE:

Q. It was your private business?—Yes, sir.

Q. Not at all connected with silver?—A. Not at all, only private. I wrote them a letter, stating I was going to Washington earlier than I expected and would be glad for them to put me in communication with their representative in Washington and that while here I might possibly send them an order to buy silver, and I gave them my address at the Shoreham Hotel, and I got a letter from them which I think I could find in my office in Chicago, in which he stated that he was surprised at my inquiry and that he thought we had better drop the correspondence on the subject.

Q. And he did not give you the name——A. Did not give the name, and that was the end of it. I wrote a letter apologizing and telling them I did not desire to know anything about their private affairs, but that I wanted, if I found it desirable to do so, to give them an order through their agent here. Now that is the strongest evidence I have of the existence of a pool.

Q. And that is the only evidence you have?—A. That is the strongest personal knowledge, and that is all; it would not be evidence or anything else. Of course you can judge whether that would lead a man to believe there was a pool or not. I wanted to find such a pool for the purpose of getting information, for I had laid my plans to buy largely of silver, as you will see from my statement, and as a wise man I did not want to buy unadvisedly.

Q. You are reported recently in an interview with the Chicago Inter Ocean—I do not know whether you have seen it?—A. I have seen it.

Q. In which this language occurred: "When I was dealing in silver bullion certificates I sought in various channels to obtain information regarding probable changes in the market resulting from the then pending legislation and sought in that line to learn of the existence of such a pool, believing that the parties connected with them would have early and reliable information regarding facts that might influence the market. I was not able to open communication with any such parties, but learned enough to create the belief that they existed." Did you state that?—A. Yes, sir, and I had in my mind this testimony I have given.

Q. Had you any other information or knowledge except that which you have stated now?—A. No, sir; not that I could call formal knowledge. Of course I have convictions and judgments, not evidence to pass upon.

Q. Will not you go back and tell us just what conversation occurred here in the Capitol between you, Hill, and George? Give us your recollection of it just as it occurred.—A. It is impossible for me to give the words.

Q. Certainly not; but, as near as you can, repeat the substance of it.—

A. I will give you that as much in detail and substance as I can, but without regard to language; of course I can not give that, as it will probably throw a little light upon the actions of these men.

Q. Just tell it for what it is worth.—A. I only make that suggestion for consideration. As you see, from my position here and my papers show you, I was seeking to buy silver, as I had an undoubted right to do, and I was fortifying myself to do it largely; therefore, I was seeking information, as stated in that interview and as I have stated to you, with the house of S. V. White & Co. To these two men, who professed to know everybody in the House, I gave them to understand I wanted information of what was being done and what was going to be done in the way of legislation, and they professed to know everybody, and said they could accomplish it and give me the information; Mr. George especially representing he was a Southern man and knew all the Southern members, and knew many of the Republicans, Northern men, and developed a claim for a large opportunity of getting information. Well, of course, if he could get it, it suited me very well for him to get it. I did not, however, follow it up. I was not impressed favorably with the men, for I did not believe they were reliable channels of information, so I dropped that matter with them and went back to New York again. I was here afterwards and they came up to me to get an engagement, and of course they pressed the matter in regard to giving that information. I wanted to know what it would cost to do that work. They said it would require a great deal of labor, time, and an expenditure of some money—car fares, coupé fares, cigars, saloon charges, and that sort of thing—and they desired me to advance them some money, and that they could not accomplish anything for a week or two. I did not advance that money, as I did not want information that came from saloons, and I dropped the matter as moderate as I could, not to be offensive to these men, as I did not want to offend them, and our conversation was all of this matter.

When I came back from New York Mr. George came to me—and he represents me of course as dodging around this Capitol. Of course I did not solicit any interviews with these men because I did not want the business done in that way, and I did not want to advance money to anybody for that kind of work. Mr. George was the principal spokesman in that business and saw I was hesitating about employing them and sought to give me evidence of their capacity and opportunities to get this information. Now, I will remark here that neither Mr. George or Mr. Hill professed to me they would influence the judgment of members of Congress, but simply to give information as to how they stood, and particularly in regard to the use of money. In advance, they stated that they were well acquainted with these men and would go to their rooms and offices and would sit down and talk about the weather and miscellaneous subjects and at the proper time, the silver question being on the *tapis* all through the community, it would be brought up and the men would incidentally talk about it. Their mode of getting information was perfectly legitimate I have no doubt, and I do not assume to say they desired to use any improper mode of getting information whatever.

By Mr. PAYNE:

Q. Did you employ them?—A. No, sir; I did not. Mr. George followed me up, but I declined to employ them. I told them I was satisfied with the information I was getting.

Q. Did you offer in any way certificates to them or employ them to

sell certificates to members of Congress?—A. In no possible way whatever, no more than I offered to employ Mr. Dorsey or Mr. Payson or Mr. Abner Taylor to whom I showed these certificates at some time in a general conversation.

Q. We will get to that, sir, in time. You did show the certificates to Mr. Dorsey?—A. Yes, in the same way. Mr. Dorsey is a banker and did not know anything about it, and Mr. Payson is a man of means and of course would like information of all kinds in regard to the question of money.

Q. What were the circumstances under which Mr. Dorsey was shown a certificate?—A. Just in a general conversation. I told him that silver was being bought and sold and he asked me how it was done, and I showed him how it was done. I think it was in his committee room and I happened to have one of the certificates in my pocket.

Q. Did you offer to sell him any?—A. No, sir; I did not.

Q. Did you sell him any?—A. I did not sell him any.

Q. What was the conversation with Mr. Payson in regard to it?—A. Substantially the same thing. I knew Mr. Payson before; he was a lawyer and we are old acquaintances and we talked generally on any public matter. I think I brought up the silver question and Mr. Payson expressed himself very strongly upon this silver question in favor of free coinage. I remember the remark was made that all his constituents were for silver and he wanted free coinage and that he wanted——

Q. Did you show him a certificate?—A. Yes, sir, and he took it and looked at it as though it was a new kind of money for him, although it is practically a warehouse receipt. There is no man that ever can say I offered to sell certificates.

Q. Did you offer to sell to him?—A. No, sir.

Q. Not Col. Abner Taylor?—A. It is the same way. I am acquainted with Mr. Taylor more particularly since he has been a member of Congress, although I may state he was in the real estate business and he is a large holder of real estate, and I have sold property for him or endeavored to sell it, I do not know which. Brokers in real estate make efforts to sell a great deal that does not count, and this bill that Mr. Dorsey introduced before the Committee on Coinage, Weights, and Measures I brought to the attention of Mr. Taylor because he is a member of that committee. I was at his room sometimes, and he brought the question before the committee and urged it to some extent, and he was present when I attempted to make an address before the committee on the subject, and we have talked about the silver question and its economic features and its commercial features, and in connection with that I mentioned that I was buying silver and showed him one of the certificates.

Q. Did you offer to sell any to him?—A. No, I did not ask anyone, much less Mr. Abner Taylor. He is a man worth millions and I am comparatively a poor man. It would take two or three of my fortunes to weigh anything with him.

Q. This bill you speak of as introduced by Mr. Dorsey, that was a bill drawn by you?—A. Yes, sir, modified by Mr. Dorsey.

Q. Introduced by Mr. Dorsey at your request?—A. Yes, sir.

Q. And you say it was modified by him?—A. It was modified. I submitted it to him in manuscript.

Q. And he modified it and introduced it?—A. Yes, sir. He did not introduce it until I came to Washington. I should like to show a let-

ter I got from Mr. Dorsey when I sent him that bill as a matter of information.

The letter is as follows :

COMMITTEE ON BANKING AND CURRENCY,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 4, 1890.

Mr. JOHN W. HEDENBERG,
102 Washington street, Chicago :

MY DEAR SIR: Your favor of January 31, inclosing copy of bill for the issue of specie certificates, has been received. I have glanced over this hastily, and want to give your suggestions careful consideration. There are features in the proposed bill that will, in my opinion, appeal most strongly to those having in charge the financial interests of the Government. I am grateful to you for writing me, and if you have discovered the solution of the questions that are now agitating the financiers of this country, you are deserving of the thanks of the American people.

Very truly yours,

GEORGE W. DORSEY.

Q. Did you show the certificate to any other member of Congress?—

A. I do not think I did. There are other members of Congress I have some slight acquaintance with. I know Mr. Mason slightly and Mr. Adams slightly; the other members I do not know except by sight.

Q. In this interview in the Chicago Inter Ocean, the interviewer is supposed to ask you this question: "Outside of the question of silver pools, have you attempted directly or indirectly by the use of money or any means to influence silver legislation?" And you are represented as saying: "Well, your question is very broad, and may probably be considered as outside of the authority of this investigating committee."—A. Yes, sir; that question was asked me, and answered in that way.

Q. What do you mean by that?—A. There is something more you have not read there.

Q. The question was asked you here, "Do you wish to say anything on this subject?" and your answer is, "I can not say that I do; still I do not hesitate to state that I have expended considerable money in this line, of which I am quite willing to give the committee full knowledge if they desire to know." Will you not give the committee full knowledge?—A. I will show you the bill where my work commenced, which was in the Forty-ninth Congress, second session, and introduced by Mr. Finley. Now, I came to the city of Washington in 1886, when the silver bill was before Congress which was defeated, and I heard myself all the speeches delivered in Congress on that subject, and I have copies of them now. What I am now remarking is a foundation for answering your question which I will get to directly and show you how I have followed that bill up ever since, and all the money I refer to there is money I spent in my personal expenses. I have had my family here more or less, and, as Mr. George says, I always paid my hotel bills and always stopped at first-class hotels and it takes a good deal of money, and I have spent several thousand dollars in that way, and I do not think anybody could keep me from doing it. I may be considered a kind of crank, but I think it will come out all right in a few years.

Q. You have never expended money in any way so as to influence legislation?—A. I have spent money in printing copies of bills, etc., to be submitted to my friends prior to their being introduced in the House, but not one dollar, nor one cent, has ever been spent except in a legitimate way, and I am candid to say to you that I was glad to have that question asked, although I hesitated to answer that question, to have it come up, that I might freely state how I had expended that money.

Q. Do you know anything on the subject of who owns the silver now besides this thousand ounces you own?—A. No, I do not. I might give you a suggestion about it. Mr. Leech, the Director of the Mint, made a statement, I think, before some other committee a day or two since——

Q. We have all his information.—A. You have got all that. Now, if Mr. Leech would go a little further and get from the custom-house in New York or any other city the record of the importation of silver, that would cover the question fully. He does not do that fully, and only covered that which is in sight, that which is within the safe-deposit company and the express company. That is easy to get, as the Government has got control and can tell every ounce of silver imported into this country and find where it is.

Q. What object had you in securing this legislation you desired?—A. Joint legal tender. You will find it through all these several bills. (Referring to bills in front of him.)

Q. General legislation on the subject?—A. Well, Mr. Dorsey says it is philanthropic.

Q. Well, what do you say?—A. Well, I do not put it in so broad a sense. I think in some sense it is. I have largely in view the public good, although I am not a public man. Now, I had another thing in view. I am a man of family and of some considerable means, and I had a conviction in my mind that floating back and forth from an ultimate standard of gold and silver was injurious to us, and I became convinced that whenever we could place our business upon a business of both gold and silver, indiscriminate in its use, it was good for the country and the world, and consequently it was good for my family, as it would not be financially an injury to us, so I do not think it was wholly unselfish.

Q. That was your object?—A. Yes, sir.

By Mr. PEEL:

Q. You have stated that you met Mr. Hill the first time in reference to that article there?—A. Yes, sir.

Q. He replied to your advertisement there?—A. Yes sir.

Q. On your return from New York, when you met him again, did you tell him that you had changed your mind on this subject?—A. No sir, I did not state that.

Q. You did not state you had changed your mind towards bimetalism?—A. No, sir, I never did. If I made any remark like that at all it must have been in reference to my employing him. I noticed in looking over the testimony of Hill and George it is a loose statement, all of it. As you will notice in the interview quoted here, I denied I avoided any comments on the testimony of those gentlemen, but as the head lines in the papers of Chicago intimated I was bribing Members of Congress——

Q. Then I understand you to say to this committee you did not attempt through them in any shape, form or fashion to procure legislation; that is, to get them to operate upon Members of Congress in any way?—A. No, sir, in no possible way to influence legislation. Of course, I refer you back to the information I wanted to get. I suppose that is considered a legitimate way to get information and I wanted to get all I could.

Q. In the conversation with Mr. Dorsey, Mr. Payson, Mr. Taylor, in regard to the certificate, did you at that time or any other time make any proposition to any of them or any other Members of Congress to purchase or to purchase for them silver bullion or silver certificates in

any way, pending legislation?—A. I do not think I did. I am satisfied I never made such a proposition as that.

Q. Did any member of either House make any such proposition to you?—A. No, sir.

Q. To procure the purchase of silver bullion in any shape?—A. No, sir.

Q. Did you know any member or any Member of Congress or Senator being interested in the purchase of silver bullion with any other person?—A. No, sir; I do not know anything of the kind. I have seen in regard to it in the papers, but I have no knowledge of it. The closest knowledge I have is where I could not learn anything, as I told you, about the firm of S. V. White & Co.

Q. Have you had any further correspondence with S. V. White in regard to this matter?—A. No, sir; this last was where they saw I was on that line and would not have anything more to do with it.

Q. Have you met Mr. Hill or Mr. George since they have testified?—A. No, sir; I have not seen them at all.

Q. Did you know what they would testify to until you saw it in the papers?—A. I saw in the papers—very large, glaring head lines—and I believed it was erroneously stated, and when I came to the city, at once, 2 hours after I got supper, I went to Governor Dingley about getting a copy of the testimony and I think he had it in typewriter in his rooms and he offered to show it to me, and I said I wanted to get a printed copy of it and he furnished me a copy yesterday.

Q. You say you have not met either of these gentlemen or had any conversation with them since you came to Washington this time?—A. No, sir.

By Mr. ROWELL:

Q. And your correspondence through August Belmont & Co. and your proposition to go largely into the purchase of silver, was that for yourself or were you proposing to organize a company to go into the purchase?—A. That was substantially in the first place for myself. Of course, as a business man, I desired to avail myself of any advantages that might arise from my knowledge, and it was my purpose, providing I got information satisfactory, to present the matter to my business friends and offer them opportunities to go into that business deal and thus help me to carry silver I could not carry myself.

Q. Had you at that time any arrangement with anybody connected with the Government officially to go into such a pool?—A. No, sir; not even private individuals, no arrangement privately, either.

Q. Are you acquainted with Mr. Owenby?—A. No, sir; I do not know him.

By Mr. OATES:

Q. You say you had conversations with members of Congress and others generally upon the silver question?—A. Yes, sir.

Q. In any conversations that you had with any Senator or Representative in Congress or official of the Federal Government, did any such person in such conversation ever admit or state to you that he had been dealing in silver, buying or selling?—A. No, sir.

Q. And you stated you never have sold any silver to any member of Congress?—A. I do.

Q. And have no knowledge of any Senator or Representative being engaged in the purchase of silver bullion?—A. I say I have no knowledge of that kind.

Q. Have you any knowledge of any sort of combination to speculate in silver which might be denominated a silver pool?—A. No, sir; I have no knowledge of any such combination; as I remarked awhile ago, I was trying to find one.

Q. You are unable to do so?—A. Yes, sir.

Q. I do not know that I understand the bill which you had introduced. I do not think I understood quite what your purpose was. Will you state in brief your solution of the financial question?—A. There are several bills.

Q. What was your bill for the solution of the financial question?—A. I will give it in a few short words if you will have the patience to hear it without taking too much time. There are several bills, but the first was introduced by Mr. Finley, another by Mr. Wilkins, another by Langes, and that bill was defeated in that committee by the influence of the Secretary of the Treasury without any question with an unanimous report of a subcommittee of five members. That bill was modified some little and introduced into the Senate by Senator Palmer, of Michigan, through the influence of Mr. Charles N. Brumm, an ex-member of the committee—I am giving a history of this matter—and it was referred to the Committee on Finance.

The CHAIRMAN. It was introduced at your request?—A. Yes sir; through the action of Mr. Brumm and brought to the attention of Mr. O'Donnell, of Michigan, and he to Senator Palmer. I had an interview with Senator Palmer about it. Now the next was this bill Mr. Dorsey introduced. Now these several bills are all based upon one general principle. The basis of the whole is the doctrine of Sir James Steuart, a very eminent writer on finance, who had investigated this question so thoroughly that he brought down the several propositions by which it might be modified, and the mode he suggested as most desirable was that all payments in the Bank of England and at the mint in England should be based upon the question that they should be held equal in every transaction, gold and silver, and consequently paper would be issued in the same way based upon redemption in the same way. So the essential doctrine I present would be joint legal tender, so whenever any debt was payable it was always payable in half gold and half silver. That was the essence of it.

By Mr. OATES:

Q. You desired a statute of law so as to make that provision?—A. To establish that provision.

Q. How about the coinage of silver; were you in favor of the free coinage of silver?—A. That is a subordinate question and so far as my personal views are concerned it would be for free coinage under proper circumstances. Of course we all have different views as I understand. Some men go for free coinage and they give access to our mints to the whole world; others would not favor it now. I have got my own opinions about that subject which of course are not of any interest to the committee; but the doctrine for which I have been contending largely is for joint legal tender. And I remember, now since you speak about it, that I drew up a quite lengthy article and sent it around in 1886 or 1885 or 1884 and addressed it to a great many members of Congress to get expressions of opinion about it and I have got letters of some of them still. I sent one to Judge Payson and Judge Payson did not express any opinion about it; but he said he thought it would not be an acceptable experiment and advised me, as a friend, to make

no effort about it; he advised me, as a friend, not to waste my labor on that.

Q. On the idea that it was new to Congress, and an innovation which they would not consider?—A. He thought I had better not waste any time over it. I remember I sent a copy of that to Mr. Bland; and I think I got a letter from him stating that he did not see anything to prevent it, except its novelty. Well, I have been working on that line for several years; so it would not be a novelty.

Q. Did you ever offer any advantages to speculate or inducements or arguments to any member of Congress or Senator to buy silver?—A. No, sir.

Q. In any direction in the silver interest?—A. No, sir; my work has been wholly educational. It may not amount to a great deal, but it has been in the line of that purpose.

Q. Why did you not think Hill would answer your purpose as a writer?—A. Well, that is a personal question. You can very easily see why I did not want to get information from the channels this man.

TESTIMONY OF HON. L. E. PAYSON.

Hon. L. E. PAYSON, sworn and examined.

The CHAIRMAN. Judge Payson desires to make a voluntary statement.

The WITNESS. As my name has been mentioned in connection with this matter, Mr. Chairman, by Mr. Hedenburg, the last witness, and my attention having been called yesterday for the first time to an extract purporting to be clipped from the Chicago News, I wish to make this statement. I have known Mr. Hedenburg since my early boyhood. I do not remember when my knowledge of or acquaintance with him began, but he was a resident of the county in which I lived.

Mr. HEDENBURG. Permit me to make this explanation. Judge Payson, you will understand, is confounding me as to residence, with my brother. I had a brother who lived in his county. We carried on a large farm together, and my brother was on the farm most of the time and I was in Chicago. I want to explain the confusion about it. I was never a neighbor of his, because I never lived in his county, but in Chicago; but my brother carried on a very large farm business and I did business in his county, and at Pontiac, the county seat.

The WITNESS. That is the first time I knew of your residence being other than in Livingston County, then.

Mr. HEDENBURG. I wanted to explain it so you will understand it.

The WITNESS. When I first went into the county to live I remember meeting him. The Hedenburg farm was one of the large farms in an agricultural county, as you gentlemen know my county is. I have had a somewhat intimate acquaintance with him ever since. Later along, I do not remember how long, exactly, I associated him with Chicago and knew he was in the real estate business there. Since I have been in public life, say for the last 8 or 10 years, I have seen him here and knew of his being here, sometimes with his family and sometimes without his family. I remember inquiring about his family once, and they were not here; and my assumption has been that he was a man of means, comparatively well to do in the world, and found it pleasant to be in Washington during the sessions of Congress. I used to see him very frequently in the gallery, listening to the debates going on, and I knew in a general way of his making something of a hobby in reference

to financial matters. I want to say in that connection that a good many people in my part of the country, however, regard themselves as well posted and having ideas that are of value on financial matters, and we had many prominent speakers, and the different theories of finance were thoroughly discussed at school houses, etc., and I have known in a general way that Mr. Hedenburg made something of a hobby of financial matters.

Mr. PAYNE. You do not suppose that is confined to your section of the country?

The WITNESS. No, sir, not necessarily; but I am stating the fact here. I remember seeing Mr. Hedenburg some years ago in reference to some matter of financial legislation he had either proposed for consideration in Congress or was about to, and his writing me something in reference to it, so I have been meeting him here and seeing him here during the winter for perhaps 5 or 6 or 8 years. Last summer, when silver legislation was before Congress, I remember meeting Mr. Hedenburg on the floor of the House, probably at my seat before the session began, and having a conversation with him in a general way, and in the course of the conversation he asked me as to what I thought would be the probable course of silver legislation. I remember distinctly that that conversation was before we had the Republican caucus upon the bill which had been reported from the Committee on Coinage, Weights, and Measures, which was known as the committee bill or Windom proposition, and I remember stating to Mr. Hedenburg at that time that I was thoroughly opposed to the committee proposition, to the Windom proposition of bullion redemption, and what I thought the probable outcome would be.

I remember distinctly there had been some conference on the floor of the House between such gentlemen as Mr. Perkins, of Kansas, and some members coming from further West, and those of who entertained ideas such as I did against bullion redemption, and we intended to make such opposition to it as we could, and I remember telling Mr. Hedenburg so. The conversation was of the same character I would have with a newspaper correspondent or anyone else, just a matter of common conversation in which I stated what my ideas were. Some time after that, I think within a comparatively short time, Mr. Hedenburg was on the floor again and had another conversation with me in the same way, simply as a matter of opinion, an inquiry on his part and an answer on mine, talking as frankly to me as I am now to you gentlemen here, and in that conversation the question came up—I do not know whether I asked the question or he volunteered the information, but doubtless I asked—as to the method by which these silver transactions were carried on and how silver was purchased and sold in New York, and he showed a certificate, which as I recollect, is substantially like this he submitted this morning. He told me how it was done. It was simply and purely a matter of curiosity on my part and that is all there was of it.

After that, some little time, I am not prepared to say how long, I got a letter from Mr. Hedenburg asking my judgment as to the then situation. I think it was written from New York, but I am not sure, and I replied to that letter substantially that I was in a position that I did not think I ought to undertake to advise him by letter as to what the probable course would be, and I think I stated in it (of course I did not charge my mind with that,) but I think I recollect, that I said, that if I should give my judgment as to what I thought legislation should be and it should happen to be the opposite, knowing, as he told me when

he showed me this certificate, that he was dealing in silver, if he acted upon the opinion I gave and it turned out that I had been mistaken and he would lose money, he might have a little feeling against me in advising him and therefore I preferred to say nothing at all in regard to it. I do not remember how long a letter it was but that was the substance.

Some little time after that I got a telegram from Mr. Hedenburg asking me—it was about the time, as I recollect it, the bill was under discussion—as to what the probable result of the vote would be. I never replied to that telegram but put it in the waste basket, and that was the end of that. This interview I have seen, as coming from the Chicago News, says that I was “approached by Mr. Hedenburg,” and in regard to that I want to say that any impression that would go from reading this interview to the effect that I was “approached” by Mr. Hedenburg, I want to say that there was no “approaching;” that I saw him on the floor just as I saw any other man, and as he says, it was simply a matter of inquiry by him and his desire to secure such information.

Mr. OATES. Did he approach you and ask if you wished to invest in silver certificates?—A. I never was approached by anybody asking me to invest in silver certificates. There was never an intimation on the part of Mr. Hedenburg to me or have I any knowledge, directly or indirectly or any idea or suspicion that Mr. Hedenburg ever wanted anybody to invest in such certificates. The certificate which was shown me was exhibited simply as a matter of information in regard to the manner of dealing in silver. As to this newspaper, it is perhaps not improper for me to say that a young gentleman connected with the News came to me and wanted to know if I had a talk with Mr. Hedenburg. I said that I knew nothing worth publishing, that I only had a talk with Mr. Hedenburg just as has been stated which was not worth printing and that it was not connected, directly or indirectly, with the matter of a silver pool and that if he chose to say anything in respect to the matter it must be submitted to me before it was published, but he did not do it. I do not know who he is, but he is quite a young man. I never saw before or since that I recollect.

Mr. OATES. Quite an enterprising youth.

The WITNESS. No, there was not much enterprise about it. It was at the door of the water closet out here that I met him. I had no idea that there was anything sent out until I saw Mr. Hedenburg on yesterday, and then he told me there had been an interview in a paper, and I said that I had not been interviewed at all for publication. I think that is all I care to say.

By the CHAIRMAN:

Q. I understand you to say you never directly or indirectly had any connection with or interest in the purchase of silver?—A. I never bought or sold anything of the kind directly or indirectly, and never heard of anybody doing it except what I heard through the newspapers and as I have stated.

Q. You know of no Senator or Representative or employé of the House or any official of the Government stating to you that he had any interest in silver?—A. Never. I never talked with anybody who said that he had or that anybody else had. All I know about such matter is what I see in the papers.

Thereupon the committee took a recess until 2 p. m.

AFTERNOON SESSION.

The special committee appointed to investigate certain alleged silver pools, etc., met this day at 2 p. m., according to adjournment, Hon. Nelson Dingley, jr., in the chair.

Present, the Chairman, Messrs. Payne, Rowell, and Peel.

The CHAIRMAN. Mr. Perkins is here and desires to make a statement.

TESTIMONY OF HON. B. W. PERKINS.

Hon. B. W. PERKINS sworn and examined.

By the CHAIRMAN:

Q. You have noticed some statements that have been presented to the committee, what the character of them are, and if you have any statement you desire to make in reference to them you are at liberty to make it.

The WITNESS. Yes, I have seen an intimation—I do not know that I have seen any direct charge—that I might have some information or knowledge pertaining to silver pools, and also an intimation—perhaps in a direct charge—that I had suggested the propriety to the Speaker of having Mr. Peel appointed a member of this committee. I want to say I know nothing whatever of any pool or combination or other organization to influence legislation or to speculate in silver. No man ever approached me on the subject. No man ever said any word on the subject to me, and I know nothing either directly or indirectly of such organization or combination whatever. I do not know of any Representative or Senator who ever invested or went into such an arrangement. I have heard Senator Cameron say, since this committee was appointed, that personally he had invested in silver. He said that he did it individually, that he was not a member of any organization, or combine, or any pool, but as an individual matter he had made an investment in some silver, had the right to do so, and would so state to the committee. Except that, I know nothing of any man, and have no intimation of anything of the kind.

And as to the statement that I suggested the appointment of Mr. Peel to the Speaker as a member of the committee, I will say I never spoke to the Speaker concerning any member of the committee whatever. I had no conversation, and I should not have presumed to have suggested it without being consulted, and he did not consult me—if he consulted anyone as to the making up of this committee—hence I never said anything on the subject to him whatever. It is true, after the vote was taken in the House, in which it was held that Mr. Dockery's resolution was a matter of privilege, I did say to some Members on the floor of the House that I thought the committee ought to be such a committee as would inspire confidence and would go to the bottom of this investigation. I did not believe the resolution was a matter of privilege, and I think a majority of the Members of our side of the House felt as I felt upon that subject, and I did not believe the investigation ought to be ordered until there was more evidence given to the Committee on Rules that would justify an investigation.

I believed, and I have said so, that the investigation was urged for two purposes. First, by Mr. Dockery, and some of his Democratic friends, perhaps, to embarrass the work of this Congress of this session, if possible. Of course at that time we were anticipating there might be an effort made to pass the force bill, and whatever was calculated to

embarrass the work so as to defeat the consideration of that bill, they were willing and happy to do. Then, again, I believed it was pressed by New York papers and Eastern papers for the purpose of preventing silver legislation during this session of Congress, and I think that yet. So I thought the committee to investigate this ought not to be appointed unless some substantial testimony was given to the Committee on Rules to justify an investigation. If any evidence of that character was given the Committee on Rules, then I believed the resolution should be reported and an investigation ordered.

After the House decided it was a matter of privilege, then I said to men upon our side, if there be an investigation it ought to be a thorough investigation, and men of standing, men of integrity, men of influence, men in whom the country would have confidence, ought to be appointed upon that committee. I took it granted that Mr. Dockery would be a member of that committee, he having offered the resolution. I considered Mr. Dockery more of a partisan than a lawyer, and I thought that the other member of the committee from that side of the House should be one of the prominent lawyers from that side of the House, and in talking with members upon our side of the House, Mr. Oates's name was suggested, Mr. Culbertson's, of Texas, name was suggested, Judge Turner's name, of Georgia, was suggested, Mr. Barnes's name, of Georgia, was suggested, Mr. Springer's name was suggested, and Mr. Peel's name was suggested, and I took occasion to say I had served with Mr. Peel for 8 years as a member of the Committee on Indian Affairs, and knew him to be a good lawyer, and that he had experience as a prosecuting lawyer in Arkansas, and I had confidence in his integrity and I believed he would make a good member.

So in conversing with members on that side of the House I mentioned Mr. Peel in that connection, and I think the very day the committee was announced Mr. Peel and myself were then engaged in comparing the Indian appropriation bill and we were eating lunch together in the restaurant and I suggested to him that his name had been suggested as a suitable man to be appointed on this committee, and he intimated to me, as he will justify me I know in saying, that I spoke to the Speaker upon the subject. I never made such an intimation to him because I did not speak to the Speaker upon the subject as to his appointment or that of any other member of the committee. That is all there is of that statement. I have seen the statement also I had spoken to Senator Cameron——

By Mr. PEEL:

Q. That is the first conversation you and I had about it?—A. Yes, sir; and the only conversation we had upon the subject, and it came up when we were eating a little lunch together in the restaurant.

Q. There was nothing private about it; it was simply a conversation between us?—A. Nothing private whatever; and I will say that in the conversation I have spoken of with men on our side of the House, and I think each man who is a member of this committee was mentioned in this connection, with many others upon our side of the House whom we looked upon as men of integrity and men of fairness, who would prosecute the inquiry of this character vigorously and ascertain what was in it, if there was anything, or any organization whatever, or any combination to influence legislation or to speculate improperly in silver.

By the CHAIRMAN:

Q. You have no knowledge, then, that any Senator or Representative, or employé of either of the two Houses, or any official of the Gov-

ernment bought any silver or silver certificates, or had any interest, directly or indirectly, in the purchase of silver?—A. No, except what Senator Cameron stated as to his investment. I heard him make this statement after the appointment of this committee. I think it was after the testimony of Mr. Vest had been given that, on meeting him casually, I said to him, "Have you seen the testimony of Mr. Vest?" And he said he had. He said he did make that statement to Mr. Vest, and said it was true he had made an investment, and said if the committee wanted him to do so he would tell them so. He said he thought he had a right to do it; it was an individual matter; it was not in connection with any Senator or Representative; not as a member of any pool or combine, and that he should have no hesitation in saying so to the committee.

Q. Did you ever request any Senator or any other gentleman to use his influence to prevent this investigation?—A. Never, and I never spoke to Senator Cameron upon the subject in my life.

By Mr. PEEL:

Q. I will ask you, with the permission of the chairman, do you know of any Senator or Representative having procured anyone else to buy silver bullion or silver certificates and carry it for them?—A. I have not.

Q. Do you know anything about where any of the silver bullion is now held?—A. Nothing, except that I have read the statement made by Mr. Leech before this committee.

Q. You know nothing of your own knowledge where the silver bullion is now held?—A. I will say I never saw a silver certificate in my life except those in circulation. I never bought one of them and never saw one of them in my life. And, as I said a moment ago, no man ever approached me for the purpose of inducing me to take interest in any pool, combine, or anything of the character.

Q. And you said you knew nothing of any such organization, pool, or anything of the sort?—A. No sir.

The CHAIRMAN. And no man approached you with reference to buying anything or taking interest in the purchase of silver?—A. No, sir.

By Mr. PAYNE:

Q. Did you ever have any interest in the profit of any silver transaction?—A. A good many years ago I was a miner in Colorado as a boy, and tried to find something that might prove valuable, but like many of those early pioneers my efforts were not successful.

Q. I mean during this Congress?—A. Oh, no, sir.

Q. Nobody ever told you he received a share of profits or anything of that kind?—A. No, sir.

Q. You never were offered that proposition or anything of that kind?—A. Never; nothing of the kind whatever.

Thereupon the committee adjourned until 2 p. m., Monday, February 2, 1891, unless called together sooner by order of the chairman.

ROOM OF COMMITTEE ON RIVERS AND HARBORS.

Monday, February 2, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m., Hon. Nelson Dingley in the chair.

Present: The chairman, Messrs. Payne, Rowell, Peel and Oates.

TESTIMONY OF HON. ABNER TAYLOR.

Hon. ABNER TAYLOR sworn and examined.

By Mr. PAYNE:

Q. Are you a member of the House?—A. Yes, sir.

Q. And of the Committee on Coinage, Weights and Measures, and have been during the present session of congress?—A. Yes, sir.

Q. Were you ever approached during the present Congress with a proposition to buy silver or silver certificates by any person?—A. No, I think not. The only conversation I ever had with any gentleman I think was Mr. Hedenberg.

Q. Of Chicago?—A. Yes, sir.

Q. J. H. Hedenberg?—A. Yes, sir; J. H. Hedenberg. He came to see me last session in relation to a bill I think pending before the Committee on Banking and Currency and he was very anxious to get some action in relation to it, and during the conversation he said he was over in New York arranging to buy some silver, that he was trying to arrange in London for some cheap money to buy and carry some silver. That is the only conversation I ever had with any gentleman in relation to silver.

Q. Did he show you a certificate then?—A. Yes, sir; he was talking about silver and asked me if I ever saw a certificate and I told him no, and he pulled one out of his pocket and said it was a certificate, I think for 1,000 ounces of silver.

Q. Of this Mercantile Safe Deposit Company?—A. I have no recollection, as I did not examine it carefully.

Q. It was a certificate for 1,000 ounces?—A. For 1,000 ounces, I think.

Q. When was that conversation; about when?—A. Well, it was the latter part of the winter, or spring of 1890.

Q. Did he make any offer to you to go into it with him?—A. I do not think he did; I have no recollection of anything of the kind.

Q. Do you know anything about any Member of Congress purchasing any silver during the present Congress?—A. Yes, I purchased some myself.

Q. When did you buy it?—A. Well, to be accurate, so we can get one thing accurate, I sent over and got a memorandum of the purchase and sale.

Abner Taylor.

1890.		1890.
July 17. 40 M silver, 109 $\frac{3}{4}$	43,900	Aug. 15. 40 M silver, 112 $\frac{1}{2}$ 45,000

I have two regrets about that, one is that I did not purchase more and the other is I did not hold it longer before I sold it.

Q. Did you purchase on the 17th of July 1890, 43,900 ounces—that is what this means?—A. No, sir; that is dollars.

Q. This is dollars instead of ounces.—A. Yes, sir.

Q. I see it is 40,000 ounces by looking at it again. I did not notice that. This is the purchase and sale of 40,000 ounces of silver.—A. Yes, sir.

Q. You bought 40,000 ounces of silver at 109 $\frac{3}{4}$ on July 17, 1890, and sold the 40,000 ounces of silver on August 15, 1890, at 112 $\frac{1}{2}$.—A. Yes, sir.

Q. And you bought and sold through a broker?—A. Yes, sir.

Q. Who was the broker?—A. I want you to put in so you can make a

note of it what time the silver bill was approved, so that both of them can go in together.

Q. We have not the date here. I do not know whether you have or not.

The WITNESS. It was the 14th of July it was approved.

The CHAIRMAN. This bill was approved. It became a law on the 14th of July?—A. Yes, sir.

By Mr. PAYNE:

Q. Three days before you made this purchase?—A. Yes, sir.

Q. And you bought it, you say, through a broker here?—A. No, sir; through a broker in New York.

Q. Who did you buy it through?—A. Mr. White.

Q. S. V. White & Co.—A. Yes, sir.

Q. Is that the only purchase or sale you made of silver?—A. Yes, sir; I bought no more than that amount.

Q. Do you hold any now?—A. Not an ounce.

Q. Or have you held any since that time?—A. Not an ounce, and I do not know of a man who holds any.

Q. Do you know of any Member of the House or any Senator who has purchased any silver?—A. No, sir.

Q. Has any Member of the House or any Senator told you in reference to his purchase of silver?—A. No, sir.

Q. Do you know anything about a silver pool?—A. Nothing at all.

Q. This silver which you purchased, what was it, these certificates?—A. I do not know that, as I never saw it.

Q. And you bought on a margin, I suppose?—A. Yes, sir; on a margin of \$2,000 which I put up to buy the silver.

Q. Will you state whether you know where any of the silver is now held?—A. No, I do not know where any is held.

Q. And do you know where any was held at the beginning of the present session of Congress or since that time?—A. No, sir; I do not know where an ounce was held or who holds an ounce.

By the CHAIRMAN:

Q. Did you ever have any direct or indirect interest in the purchase of silver before that purchase was made; that was on the 14th of July and that was three days after the bill became a law?—A. No, sir, I never did.

Q. Did any Senator or Representative or employé of either of the Houses, or any official of the Government, ever tell you or say in your presence they had purchased silver?—A. No, sir.

By Mr. ROWELL:

Q. During the pendency of legislation on silver did anybody talk to you about purchasing silver or organizing any pool?—A. Mr. Hedenberg came nearer talking—he is the only man who talked about the purchase of silver and that was not about organizing a pool. I understood he was making preparations with other parties in New York to buy some silver.

Q. Did you make any statement before the committee of which you are a member with regard to any organization of that kind?—A. Yes, sir, I did before the committee in relation to that conversation I had with Hedenberg. I got from his conversation that he was connected with some other gentleman in New York, making some arrangement to buy a lot of silver. He stated he was trying to make arrangement for some cheap money in London with the intention of buying silver.

Q. In this purchase which you made were any other persons connected in any shape or form?—A. No sir.

Q. Did you buy it direct through the broker in New York or through a Washington broker?—A. Through a broker in New York.

Q. Did you have any connection with any Washington broker?—A. No sir; I do not know one.

Q. Was your order made for the purchase before or after the bill became a law?—A. After, I judge from this memorandum. It was bought immediately on my order. I get it from that memorandum more than anything else, for I have no other memoranda. This is gotten from the books of Messrs. White & Co., over in New York.

Q. Were you in Washington or in New York at the time the purchase was made?—A. In Washington.

Q. Did you at or about that time have any conversation with any members with regard to the purchase of silver?—A. None that I recollect; I have no recollection of any such conversation.

Q. Had any Member said in your hearing or presence that he had purchased any silver?—A. No, sir.

Q. Have you heard any talk about a pool now existing to control the silver in sight?—A. Nothing except what some of these liars get out.

Q. I mean by that have you had any talk with anybody who claimed to have any connection with any silver pool?—A. No, sir.

Q. I understand you to say you have no information about any other member other than yourself having purchased silver?—A. I have not.

Q. Previous to this purchase did you invest in any silver?—A. No, sir.

Q. Or invest with anybody else for the purpose of investing in silver?—A. No, sir.

Q. Do you know of a pool of money made up for the purpose of investing in silver?—A. I do not, and never heard of any.

Q. Did you order this by telegram or by letter?—A. I can not remember exactly about that, but I should think maybe by letter, although I am not positive. As a letter goes over in one night I should think by letter, but am not positive about that.

Q. Did you send the money or a check for the margin?—A. That is one thing I am not positive of, but I rather think I sent a check, although I am not positive about it.

Q. Had you had any conversation with S. C. White & Co. previous to this?—A. I do not know them. I would not know either of them if I saw them.

Q. Through whom did you get information that they were connected with silver?—A. I knew by reputation that they were brokers who bought almost everything, and I am in the habit of buying nearly everything in the country—stocks, wheat, and nearly everything else—and I did not give up that right when I was elected to Congress either.

Q. While this bill was pending you made no investment of any kind?—A. No, sir.

By Mr. OATES:

Q. Mr. Taylor, I understand by this statement you bought 40,000 ounces of silver on July 17 at 109 $\frac{3}{4}$, which at that value made \$43,900, and on August 15, 1890, the same silver was sold for you at 112 $\frac{1}{2}$, aggregating \$45,000. Eleven hundred dollars, then, is the amount you realized on that, less commission?—A. It would be less interest and expenses of carrying the silver. You see it is pretty expensive to carry silver, as they have to store it.

Q. What was your net profit?—A. I do not remember, but I should think not over \$800 or \$900; but I have no recollection of that.

Q. Have you stated all you know and all you have heard from reliable parties with reference to the purchase or sale of silver within the last 12 months?—A. I have stated all I know; if I stated all I heard it would take me a long time.

Q. I said from reliable sources.—A. I have not anything from reliable sources.

Q. You say you have for a good while been a dealer in stocks and in various things on margin?—A. Yes, sir.

Q. And you did not surrender that right when you came to Congress?—A. Yes, sir; I said that.

Mr. ROWELL. You were an elevator man in Chicago?—A. Yes, sir; I own a half interest in an elevator.

By Mr. OATES:

Q. Have you been dealing in other stocks since you have been in Congress, buying on a margin?—A. I have been dealing in wheat; I do not remember that I have been dealing in stocks. I have been buying wheat on margins.

Q. Did you ever try a cotton future?—A. No, sir; I have not been in cotton. I leave that for you Southern gentlemen.

Mr. ROWELL. Which is your elevator?—A. The Chicago and Pacific elevator.

By Mr. PEEL:

Q. I want to ask you when did you have this statement made; was the statement sent you at the time of the sale or did you write over for it since?—A. I sent for it since to find out the date exactly so as to be accurate about it.

Q. Did you have any correspondence with them looking to the purchase before the date of this—the 17th?—A. No, sir.

Q. Have you any means of knowing that this is date of your purchase and sale except this statement they sent you?—A. It is my recollection of the date, and I sent to get that to confirm my recollection. I knew it was after the passage of the bill, but I did not know exactly how many days it was after the passage of the bill.

Q. In other words, you feel confident in saying your purchase was after the bill became a law and was approved by the President?—A. Yes, sir; but I did not know how long it was, and I sent to get that to confirm my recollection of it.

Q. So you could state it exactly?—A. Yes, sir.

By Mr. OATES:

Q. Your purchase was made, I suppose, because you believed that the price of silver would go up?—A. It was; and the world had the same knowledge I had at the time, too.

Mr. PEEL. I believe you have stated that this is the only purchase you made during the session of Congress?—A. Yes, sir; 40,000 ounces is the only amount of silver I bought, and have bought in my life.

By the CHAIRMAN:

Q. You spoke of a conversation which took place on this subject in the room of the Committee on Coinage, Weights, and Measures, and alluded to some statements made there?—A. Well, I stated in substance the conversation I had had with Mr. Hedenberg, probably not the whole of it, but the substance of it, and from the conversation I

had I thought there was a pool forming to buy silver in New York to control the silver market, with the idea of putting silver up. I got that impression from Mr. Hedenberg, that he was making an arrangement to buy a large amount of silver through Henry Clews & Co. That is my recollection now.

Q. Was any statement made at that time in the committee any further than you have stated?—A. No, sir; I think not.

Q. Was any statement made as to Senators or Representatives having been approached with reference to buying silver?—A. No.

Q. Did you ever talk with Mr. Conger or any member of the House with reference to any statement he had heard?—A. Mr. Conger talked to me afterwards in relation to my conversation in the committee room there, that is all.

Q. Did he intimate any knowledge beyond what you have suggested or you obtained from Mr. Hedenberg?—A. No, sir.

Mr. PAYNE. Was this talk in the committee room a general debate on the subject?—A. It was during general debate on the subject. It came up in some way, I do not remember how. I remember telling them the substance of my conversation with Mr. Hedenberg.

By Mr. PEEL:

Q. I have forgotten what you said about the conversation that occurred with Mr. Hedenberg. Did I understand you to say he made no proposition that you should go into a silver purchase?—A. I am inclined to think not.

Q. Did anyone else make any proposition with you?—A. No, sir.

Q. Did you make any proposition to him or anyone else outside of the purchase you have stated you made?—A. No, sir.

By Mr. ROWELL:

Q. You inferred from what he said that he was organizing a silver pool to put the price up?—A. Yes, sir; I inferred that. I also inferred it would not be difficult, if I wanted to join a pool, to buy silver. I inferred that, too.

Q. Did you give the committee that information and express that as your opinion before the committee?—A. Yes, sir, I did; that is my recollection.

Q. That was pending legislation, before legislation had taken place?—A. Yes, sir; it was while the bill was under discussion in committee.

Q. Did the knowledge or belief on your part that a pool was being formed have any influence on your action on the bill?—A. No, sir; none in the world; I think my course was marked out in the beginning, and I never varied from it. I made up my mind what to do and I stuck to that course.

Mr. PAYNE. Did you anticipate any further silver legislation after the passage of that bill on the 14th of July?—A. No, sir; I thought that was the end of it at that session.

The CHAIRMAN. You introduced a bill for the purchase of 12,000,000 ounces of silver at the beginning of this session.—A. Yes, sir; and I am charged, I believe, with trying to help the speculators out on the silver when I introduced it, too.

By Mr. OATES:

Q. Did you know at that time the amount of silver in sight in this country?—A. At what time?

Q. At the time you introduced the bill.—A. In substance, I did. I

had conferred with the Director of the Mint and I tried to ascertain about what silver there was in this country.

Q. According to your information, who was the silver held by?—A. I had no information. Most of it was held in New York. My recollection is now I had a statement made up by the Director of the Mint at that time, and my recollection is there was about six or eight million ounces held in New York. The balance was held through the country; some in Omaha and some in San Francisco.

Q. Was \$12,000,000 the amount your bill provided for?—A. It provided for \$13,000,000.

Q. The amount in this country that was for sale?—A. It covered all the Director of the Mint could find in this country.

Q. Your bill directed the purchase of that by the Secretary of the Treasury?—A. Yes, sir.

Q. Fixing no limitation?—A. What do you mean?

Q. As to the price to be paid for it?—A. No, sir. Under the provisions of the former bill it simply extended the right of the Secretary of the Treasury to purchase that much in addition.

By Mr. PAYNE:

Q. Was it at his option?—A. At the market price.

Q. But was the amount at his option?—A. Thirteen million dollars; not to exceed \$13,000,000.

Q. Was he to purchase at his option?—A. He was compelled to purchase at the market price under this bill, as I remember.

Mr. OATES. Did you introduce that bill at the beginning of this session, in December?—A. Yes, sir; I think the first week.

The CHAIRMAN. Did you hold any silver then, or have any interest in silver?—A. I did not hold an ounce then and did not know who held an ounce, I will say that. I will say that the bill was introduced after a conference with the Secretary of the Treasury and the Director of the Mint.

Mr. PAYNE. At whose suggestion?—A. I think I first suggested to them and they had a conference with the President. It was introduced after a conference with all of them.

By Mr. OATES:

Q. Did they all approve of it?—A. We thought if we could get that out of the way the silver bill would work much more smoothly than it was working.

Q. Well, how was that; because this silver was held for higher prices?—A. We thought that the price of silver would advance a little higher than it was; we thought it would be more plentiful, and then we wanted more money out. It was at that panicky time, and we wanted to get the money out.

Q. Would not the effect of the passage of that bill be to increase the price of silver?—A. I think it would; I think it would increase the price of silver somewhat and put about \$15,000,000 more money out, which the Secretary of the Treasury and the President, I think, were anxious to do at that time.

Q. What action has been taken upon your bill?—A. None. I did not call it up in the committee. I found there was objection to it.

Q. What committee was it before?—A. The committee I am on.

Q. Coinage, Weights, and Measures?—A. Yes, sir. I never called it up for action. A financial bill was introduced in the Senate which provided for the purchase of \$12,000,000, which was about the same;

so I was waiting for that bill to go through which covered about the same object. It turned out differently when it did get through.

Q. It turned out to be a free-coinage bill?—A. It turned out to be a free coinage bill.

Q Which did not suit you?—A. Which I do not think will suit the country.

Mr. ROWELL. It will advance the price of silver coin as the other bill?—A. Yes sir.

By Mr. OATES:

Q. That is in line with the effect of your bill?—A. Yes; but it is away beyond the line.

Q. That would be likely to produce more circulation, too, would it not?—A. I do not think it would.

The CHAIRMAN. In one case the people get the profit and in the other case the silver pools get it?—A. Yes, sir; and I think free coinage would produce a contraction; that is my belief; I may be wrong.

Mr. OATES. I do not understand you are swearing to that as a fact.—A. No, sir; as a belief.

Mr. PAYNE. You are willing to swear that is your opinion?—A. Yes; that is my opinion.

Mr. ROWELL. Previous to the introduction of this bill did you have any conference with men who claimed to own or who were supposed to own any of this silver?—A. No, sir; I did not know at the time and I do not know now who owns an ounce of silver, and I have not known of it at any time.

TESTIMONY OF HON. THOMAS J. CLUNIE.

Hon. THOMAS J. CLUNIE sworn and examined.

By Mr. OATES:

Q. Give your full name?—A. My name is Thomas J. Clunie.

Q You are a member of the House of Representatives?—A. I am a member of the House of Representatives from California.

Q. Now that you have begun, proceed to make any statement to the committee you wish. You are aware that we are investigating the alleged existence of a silver pool?—A. I would like to have Mr. Moore's statement. Mr. Moore told me he simply stated to the committee that Mr. Ketcham, of New York, and Mr. Clunie, of California, would be glad to testify before this committee. That is what he stated to me outside that door a minute ago.

The CHAIRMAN. Has the stenographer the testimony?

The WITNESS. That is what Mr. Moore told me right out at that door; that Mr. Clunie would be glad to testify that I was not connected with the matter so far as he was concerned in any way, shape, or manner.

The stenographer produced Mr. Moore's testimony.

The CHAIRMAN. Here is the testimony of Mr. Moore.

Q. Has any Senator or any Member of Congress ever stated to you that he had any connection in any direction whatever or that he knew of members who had purchased silver bullion or silver certificates?—A. No; I have heard it stated that Ketcham, of New York, and Clunie, of California, had bought silver; in fact I think Clunie said he was sorry because he lost instead of making anything. I heard he was willing to own up.

The WITNESS. Now, I want to state that every word of that is false. I never stated to anybody I had silver. I never had a dollar's worth of silver except silver dollars and half dollars. I never purchased a silver

certificate in my life. I never had any connection with the purchase of silver of any kind or with any pool of any kind. I never so stated and never dreamed of such a thing. I never in any way, shape, or manner talked with Mr. Moore or any human being in that way. I never lost or made a dollar out of silver or out of anything else connected with legislation, either in the State or in the nation, in my life during my entire public career. Let me read this again.

"No; I have heard it stated that Ketcham, of New York, and Clunie, of California, had bought silver; in fact I think Clunie said he was sorry"—Clunie never said he was sorry because he lost instead of making and never said he bought any silver. I never said I was willing to own up and I never said I was interested in any pool. I never said I knew of anybody else who was interested in any pool. I never said I knew of any Senator or Congressman buying silver, and I never in any way, shape, or manner, was connected with it individually, collectively, or with any syndicate. The first I learned of this I saw in one of the Chicago papers that Messrs. Clunie, of California, and Mr. Peters, of Kansas, were connected with a silver pool through a statement made by Mr. Moore.

I returned to-day and I found Mr. Moore. I said to him, "Mr. Moore, you have always been my friend," and I said, "Why did you make any statement that would connect me with this silver pool?" "Why," he said, "I simply said you would testify and I did not undertake to connect you with it in any way." I said, "Of course I will testify on any occasion I am asked to testify, but I do not know anything about it. Now" I said, "it is gone all over the country through your statement that I am connected with the silver pool." I said, "It will ruin me; I do not like it." He said it would not and I said that I was coming in here with him and I said "You get me out of this, you have made this statement about me and there is not a scintilla of evidence against me from childhood up; I do not want to be ruined; I want to go out of Congress right; I do not want to be smirched over."

He told me then that the boys in the gallery were laughing at me at losing money. If they were, it was all imagination. I do not know how they got the laugh up or where they got it. As God is in Heaven I never have and never will be connected with any matter of legislation before Congress—even the subsidy bill that my people want and that they are telegraphing me over and over again to vote for; I have vessels that go to Europe and receive the benefit myself, and I am against the bill because I do not think it is a Democratic measure, and then to say that I mixed myself up with this dirty silver measure. I was against it *in toto* and voted against the bill and strongly favor free coinage. Now, these gentlemen who give out these slurs do not know how it hurts a man. People are too apt to take up this statement which gives a man's name and make a mountain out of that, and they do not know how it cuts to the quick to see these things.

Now I want to say in behalf of Mr. Moore, that he has always been my friend. He has always been kind to me, and this is the only evidence I have ever had that he would undertake to smirch me over in any way, and his statement out in the hall there does not chime with his statement here. He simply told me out in the hall that he said I was willing to give evidence; that he told the committee that I was willing to give evidence. Of course I am willing to give evidence. I am willing to tell you all I know about it; but I never said I was willing to give evidence, and never was asked if I would by any one. If

I had been I would have stated I did not know anything about this, and therefore I could not give evidence.

I have received dispatches from my home in reference to this from people stating that they are sorry that I am connected with this kind of business. I hope the gentlemen of the committee will excuse me, as I feel deeply on this subject—I can not help it. I do not believe Mr. Moore maliciously intended to injure me, because there is nothing between us; he is my friend; he has said kind things about me in his paper, and been very friendly to me, and I said to him that this thing would injure me, as it had gone all over the country. He kind of laughed, and said it did not amount to anything. I think he is greatly mistaken. Now, if there is any questions you wish to ask me in connection with this matter I am ready to answer them.

By Mr. OATES:

Q. Has any Senator or Representative or any person connected with the Federal Government ever told you that they had bought silver or speculated in silver bullion or certificates?—A. Never. I do not know of a Senator or Congressman that ever bought silver and if I was to put my hand on one I could not name any Congressman or Senator that I thought would be guilty of doing anything of that kind or any wrong against the Government.

Q. Did any person ever approach you and ask you to invest in silver?—A. Nobody approached me or asked me to join any syndicate. I never dreamed of this business until I saw it in the paper yesterday or the day before. I never saw a silver certificate; I saw some testimony about members of Congress seeing certificates. It has never been my pleasure to see one, and I do not know how it is bought in New York. Out in my country, although it is a silver country, they do not deal that way, and although I have owned an interest in a silver mine I have never bought an ounce of silver or a grain of silver in my life, and I never was interested in it and I never knew a man who was. I supposed they were bought in New York, but it has never happened to come in my way to know anything of these transactions.

Mr. CLUNIE. (To Mr. Moore). Have you anything to ask me?

Mr. MOORE. No, sir; but I would like to testify when you get through.

TESTIMONY OF O'BRIEN MOORE. (Continued.)

O'BRIEN MOORE, recalled and examined.

The CHAIRMAN. Shall we hear Mr. Moore's testimony?

Mr. MOORE. I should like to tell the source of my information.

Mr. CLUNIE. I would like exceedingly to have it, it would be a great favor to me.

The CHAIRMAN. The testimony is, "In fact I think Clunie said that he was sorry because he lost instead of making something. I heard he was willing to own up."

Mr. CLUNIE. You would not claim the conversation took place with me?

The CHAIRMAN. You can give your authority for that statement.

The WITNESS. Mr. Walter B. Stevens is the gentleman. He spoke to me the night before I testified, the night I was subpoenaed, and said the investigation was lagging, that there was not so much coming out as he wanted, and he said Ketcham and Clunie were anxious to tes-

tify, and if I mentioned their names it would probably start the investigation to going.

Mr. CLUNIE. That is what Mr. Moore told me.

The CHAIRMAN. "In fact, I think Mr. Clunie said he was sorry."

The WITNESS. Mr. Stevens told me that, too.

The CHAIRMAN. Did he give his authority?

The WITNESS. No, sir.

Mr. CLUNIE. I do not know Mr. Stevens, but I am willing to meet him. I want to know all about this. I would like to have him examined.

The CHAIRMAN. The impression is given here——

The WITNESS. I would like to state that that might be a rather loose expression of mine.

The CHAIRMAN. "In fact, I think Clunie said he was sorry because he lost instead of making anything."

The WITNESS. I ought to have said I heard he had lost instead of making. The language is a little loose. At any rate that is my meaning.

The CHAIRMAN. You want to correct that.

The WITNESS. Yes, sir; in that respect.

Mr. CLUNIE. Because you do not claim that I ever told you that?

The WITNESS. No, sir.

Mr. CLUNIE. Then I think you had better correct it.

Mr. ROWELL. The statement is a correction.

Mr. CLUNIE. I will state that Mr. Moore went with me to look for Mr. Stevens, but we could not find him.

The CHAIRMAN. Did you ever have any conversation with Mr. Stevens on the subject?

Mr. CLUNIE. I never did, this is a dream. There is nothing in this imagination. It is made up out of the whole cloth, every word of it. There is nothing to predicate it on, no conversation or anything of the kind to predicate it upon, nothing at all.

Thereupon the committee took a recess subject to the call of the chairman.

AFTER THE RECESS.

The special committee appointed to investigate certain alleged silver pools met at the call of the chairman at 4.15 p. m.

Present, the chairman, Messrs. Payne, Rowell, Peel, and Oates.

The SERGEANT-AT-ARMS. Mr. Chairman and gentlemen of the committee, this is the witness, Mr. Ownbey. Mr. Ownbey has an attorney outside, Mr. Johnson, I believe, from this city, who desires to appear as attorney for Mr. Ownbey. I submit this for the consideration of the committee.

The CHAIRMAN (to the witness). There is no objection to allowing Mr. Johnson as your attorney to be present in the room, and you can consult with him at any stage.

Here Mr. Johnson entered the room.

The CHAIRMAN (to Mr. Johnson). You have been permitted, by request of Mr. Ownbey, to take a seat in the room. He says you are his attorney, and whenever he desires to consult with you he can do so.

TESTIMONY OF J. A. OWNBEY.

J. A. OWNBEY sworn and examined.

By the CHAIRMAN:

Q. Your full name?—A. My full name is James A. Ownbey.

Q. And your residence?—A. I am a resident of the city of New York; that is my legal residence.

By Mr. PAYNE:

Q. How long have you resided in New York?—A. Nearly 6 years.

Q. Have you spent any portion of your time in Washington?—A. At different times I have been here, possibly one-third—I will not say one-third, but from one-third to one-fourth of the time of the last year or so.

Q. Commencing where?—A. Since 1885.

Q. But the past year, what months were you here?—A. I was here part of the time; nearly all of the months I vibrated between here and New York.

Q. When did you commence coming here in 1890?—A. In January. I say I have been here part of each month in the year.

Q. Where were your headquarters here?—A. At my room; part of the time I was at 1531, my Washington residence; part of the time at the Randall Hotel; also part of the time—that is, this last year, a year ago—also part of the time at the National Hotel, where I stopped at different times.

Q. What was your business last year?—A. I was a broker and a commission man; in other words, I was handling all kinds of securities, municipal, mining stocks and bonds in New York, dealing with them, and, whenever I had an opportunity, attempting to deal in silver.

Q. How long had you been in the business of a broker?—A. I guess—I do not know how you will interpret it, but I have been more or less a broker all my life, engaged in selling mining stocks, etc., and an underground miner is my original business.

Q. Your original business was a miner, and since then you have been a broker in mining stocks?—A. In mining stocks, Government bonds, and contractors, etc. I was connected, identified with O'Brien and Clark in the aqueduct contract in New York.

Q. What were you doing in connection with that contract?—A. Well, in a general way.

Q. In a general way, what?—A. Well, different business was to be attended to, office business.

Q. What did you attend to?—A. My identification was not so much with the firm as with John O'Brien personally.

Q. Then you were in the personal employment of John O'Brien?—A. Personally associated.

Q. Associated with him. Were you in his employ?—A. No, sir; I had an interest.

Q. Then you had no particular business with the aqueduct contract proper?—A. No.

Q. O'Brien and Clark, or with the firm?—A. No, sir.

Q. Did you have any place of business during the year 1890 where you transacted your brokerage business?—A. I did.

Q. Where?—A. Wells, Fargo & Co., 63 Broadway. I made that my headquarters, received all my mail there and received most of my telegrams there.

Q. There were your headquarters?—A. For receiving my mail.

Q. What is the number?—A. 63 Broadway, New York.

Q. Are you acquainted with Mr. Parsons, who is connected with Wells, Fargo & Co.?—A. I am.

Q. Did you occupy the same office he did?—A. No, sir, I did not. He occupied a room, he has an office in the building. It is a very large

building and I had the privilege of desk room in there with most of the employes. I don't mean to say to the cashier when he was counting money——

Q. Who occupied this office with you last year?—A. I do not get at what you mean.

Q. You say you had desk room in the office; did any other party have desk room in that office?—A. There are sixty or seventy clerks and they all had desk room.

Q. Then you had desk room in an office where there were sixty or seventy clerks. What branch of Wells, Fargo & Co. business was transacted in that room? You say there were sixty or seventy clerks; what were they doing?—A. Well, making up accounts of the express company, the banking department, and the general commission business. They run a bank in connection with their express business.

Q. Was that in the room, the bank they run? Who had charge of the room?—A. Mr. Parsons and Mr. Hancock, the head of the express business.

Q. Who had charge of this room where these clerks were employed? A. I told you Mr. Parsons and Mr. Hancock are at the head of it.

Q. What are Mr. Hancock's initials?—A. I do not remember his initials.

Q. This desk room you stated was—with whom did you make arrangement for that?—A. It was Mr. Horton—the way I commenced, if you call it desk room, is, I had some stuff coming there to New York for sale——

Q. Without going into that now, with whom did you make an arrangement for desk room in this office?—A. I told you Mr. Horton.

Q. What was his connection with the company?—A. He was the agent of the express company.

Q. Agent?—A. Yes, sir.

Q. Was this the local office of the company or the general office?—A. The general New York office.

Q. What were Mr. Horton's initials, do you know?—A. I do not remember Horton's initials.

Q. What was your arrangement for desk room in the office with Horton? State generally what it was.—A. I simply had a lot of stuff come for sale to me, to my care. It came through Wells, Fargo & Co., with instructions to the express company that it was to be delivered at a certain price whenever I sold it and they transmitted the money, and I asked Mr. Parsons, I think, and Mr. Horton, and a man by the name of Froe—I had mail coming there—to make it my headquarters, and I paid a good deal of money in express charges, and they let me occupy it any time I wanted it.

Q. I understand a desk was set apart for you?—A. No, sir.

Q. Did you have a desk there?—A. There are desks set apart there for their customers, for that purpose——

Q. There were desks for their customers to use, and you used one of those?—A. Yes, sir; and sometimes Mr. Parsons's and sometimes somebody else's.

Q. How long were you in the habit of using Mr. Parsons's desk?—A. I think I have been in the habit of going into Parsons's office and making memorandums for about a year; in the neighborhood of a year.

Q. Then you paid no rent for this?—A. No, sir; I paid no rent for that, but I have paid the company their commissions and express charges for the things they have handled for me.

Q. And their only compensation was that you gave your business over the express line.—A. Yes, sir.

Q. Was anyone connected with you in the brokerage business? Were you in the employ of anyone or have any partner?—A. No, sir; but there has generally been a man in different transactions and sales, a half a dozen at different times.

Q. Customers, I suppose?—A. No, men who helped me place securities and carry out trades, the same as you do possibly.

Q. Do you know Mr. Walter B. Stevens?—A. I do.

Q. Did you make a statement to him in September last?—A. I do not remember whether I did or not.

Q. How long have you known him?—A. I have known him for five years to the best of my knowledge.

Q. Did you have any conversation in September last?—A. I probably did. I had conversations with him at different times in the last two or three years.

Q. I am speaking about September; you say you probably did; do you mean by that you did or did not?—A. I mean to say I do not know whether I did or not.

Q. Did you have any conversation with him in September, or about that time, in reference to a silver pool?—A. I do not remember; I have talked with him about silver.

Q. Have you talked with him about a silver pool?—A. I probably have used the word "pool" in speaking of parties in connection with conversations about silver.

Q. You know where his office is?—A. I do, very well.

Q. Do you know of the existence of a silver pool last September or about that time?—A. I had some knowledge of different parties whom I had reason to believe were interested in silver, but as to the organization of a pool I do not remember I had.

Q. Did you have any personal knowledge of any person buying silver during the last year?—A. Yes, sir.

Q. What was that knowledge?—A. I saw accounts made up on the books of Wells, Fargo & Co. Mr. Jennings attend to that part of the business there, along with Mr. Parsons, and I saw accounts of money due and what they had received on silver and a number of times who it was from and who sold, to the best of my recollection.

Q. Those were books and accounts of Wells, Fargo & Co?—A. Yes, sir.

Q. And made up you say by Mr. Jennings?—A. Yes, sir.

Q. What is his first name?—A. William A. Jennings; so he told me; I did not register him when he was born, but he told me that was his name.

Q. You understood that to be his name?—A. Yes, sir, I understood that to be his name.

Q. Now, you say the accounts were made up by him on the books of the company?—A. Yes, sir.

Q. There in the office?—A. Yes, sir.

Q. Of transactions in silver?—A. Yes, sir.

Q. Did you see any account made up where the name of any member of the House of Representatives was represented as buying silver?—A. I do not know all the members of the House, I do not know you.

Q. But did you see the name of any person whom you knew to be a member of the House of Representatives appear on these accounts as having bought or sold silver during the year 1890?—A. Of the House, I did not.

Q. You never have?—A. That is as I remember now.

Q. I only want what you remember. Now did you see the name of any Senator or any person whom you knew to be a Senator?—A. I want to recall that last answer made to you.

Q. Well, I want to get it exactly right.—A. Strike that out, and read the last two or three questions.

Q. You can make an explanation, you need not strike it out.—A. If you put in it, I want to say that it goes in under protest from me.

Q. You say you want to correct the statement and we want to get it down as you say it. Of course if you make a misstatement and want to correct it, do so at once. Now you say you want to correct your answer to my question in regard to seeing a transaction of a Representative in Congress dealing in silver in 1890. What do you say now in regard to it?—A. If you put your question plainly to me I will endeavor to answer the question.

Q. I am trying to be plain. Did you see on the books of Wells, Fargo & Co. what purported to be a transaction in silver, either by buying or selling, of any person whom you knew to be a member of Congress?—A. What purported to be?

Q. Certainly.—A. Will you give your definition of the word "purport," please?

Q. If you had seen an account there of silver bought or sold for John Jones it would purport that John Jones had bought and sold silver; so if you had seen the name of any Representative in Congress it would purport that that Representative in Congress had bought or sold silver. I trust I make myself plain?—A. Thank you. I do not remember of seeing anything on Wells, Fargo & Co.'s books that purported, as you may call it, that members of Congress had bought or sold silver.

Q. Did you see the name of any member of the House of Representatives on the books in connection with any silver transaction?—A. I do not know whether I did or not.

Q. Well, any person's name whom you knew to be a member of the House of Representatives?—A. No, I do not know I did.

Q. Now, I ask you the same question in regard to any Senator, any person whom you knew to be a Senator?—A. What bank are you asking me to testify about? You are talking about Wells, Fargo & Co.

Q. Oh, yes; certainly, Wells, Fargo & Co.?—A. I would like to ask my attorney a question. Can I have that privilege?

Q. Certainly; I have no objection.—A. (After conferring with attorney.) I am ready to answer your question.

Q. Well, sir, answer it.—A. I answer, no.

Q. You did not?—A. No, sir, and I may say this to you, that if you go through their books and have them scrutinized by expert bookkeepers they possibly will show whose name the silver was carried in.

Q. We are much obliged for your suggestion, Mr. Ownbey. What we want to get at just now is what you know about it.—A. Well, you have got what I know on that point.

Q. Well, now, in answering my question before, you wanted to know what bank I spoke of. Did you see the books of any other institution; did you have access to the books of any other institution which was buying or selling silver?—A. Well, you are asking me a question there that covers a great deal of ground. I might have access to books of firms, and I would not know whether they were dealing in silver or not.

Q. Of course I only want to confine you to your knowledge of any in-

stitution which you knew was dealing in silver?—A. As a regular business?

Q. As a regular business, or in any way?—A. I had no general access to books; no, sir.

Q. Did you have any access or did you see any books of any institution showing a transaction in silver during the year 1890 other than Wells, Fargo & Co.?—A. In full, you mean?

Q. Did you see any transaction on anybody's books other than Wells, Fargo & Co.?—A. Yes, sir; I have seen transactions; I think I can answer that; yes, sir.

Q. Whose books were those?—A. I did not see all the books.

Q. Whose books then did you see?—A. In the hands of J. M. Donald, cashier of the Hanover National Bank of the city of New York, corner of Nassau and Pine streets.

Q. Did you see any other books than in the hands of the cashier of the Hanover National Bank referring to a transaction in silver?—A. I suppose I have, I will not say positively. I think I have, but I will not be positive.

Q. What do you mean when you convey the impression you have seen somebody's books, you mean to say you recollect it?—A. I guess that is about it.

Q. Whose books have you the impression you saw aside from those?—A. I can not answer that question correctly.

Q. Then it is not a sufficient impression for you to speak of any other institution?—A. No sir, it is not.

Q. When did you see the books?—A. I said it was a book, not books.

Q. Excuse me—when did you see this book?—A. A number of times during the past year.

Q. But about what months?—A. I think it was in May, June, and July.

Q. What was it—a cash book, journal, ledger, or what?—A. Check book generally; a draft book.

Q. A draft book?—A. Yes, sir.

Q. Was it the banking book of a depositor in the bank, a customer of the bank?—A. Well, possibly he was a depositor; possibly he might be a customer, and at the same time an officer.

Q. Whose book was it?—A. James Donald's.

Q. Donald, the cashier?—A. Yes, sir; and I saw Mr. Hawes's books, the assistant cashier's.

Q. Mr. who?—A. Mr. Hawes; I think that is his name.

Q. Then you saw two books?—A. Yes, sir.

Q. Did you see any more books in connection with that bank?—A. No, sir; I was not employed as a bookkeeper.

Q. Did you see any transaction or any reference to any transaction in either of those books in silver of any Representative in Congress, either in the Senate or House?—A. I saw what Donald told me represented to be correspondence of—

Q. I do not care for you to mention the name unless you saw it on the book, and unless you have positive knowledge. You say some one told you that a Representative or Senator—A. I will have to ask you a question, if you will pardon me. May I have the privilege?

Q. Certainly, but I have the privilege of answering or not, you know?—A. Well, you have got a shade the best of me then.

Q. Possibly. What is your question?—A. I want to know whether the word "silver" is termed silver dollars, or warehouse receipts, or any representative of silver bullion?

Q. In speaking of silver all through this examination we will call it silver whether it is silver bullion or certificates issued by the safe deposit companies.—A. Or certificates issued by Wells, Fargo & Company.

Q. Anything representing silver bullion or the bullion itself we will call silver.

The WITNESS. Many thanks for your answer and courtesy.

Q. Now answer the question?—A. I have; did not I answer that?

Q. No; you say you saw what was represented to be the transaction of some one and I am asking you whether it was a Senator or Representative?—A. I will say it was a public man.

Q. Was it a Senator or Representative?—A. I think he stated to me——

Q. Well, did he state to you whether it was a Senator or Representative?—A. Yes, sir, I believe he did; yes, sir, he did.

Q. Which did he say, Senator or Representative?—A. I am under the impression he said it was both.

Q. Then it represented a transaction with more than one man?—A. Yes, sir. He held out a paper or correspondence and stated that that was the correspondence of so and so.

Q. And he mentioned Senators and Representatives; he mentioned the names of persons?—A. He mentioned the names.

Q. It embraced parties who were Senators and parties who were Representatives, both?—A. I will tell you, Mr. Payne, if I may have the privilege of looking at my memorandum book, because I made a memorandum afterwards.

Q. Certainly; anything that will refresh your recollection of it.—A. I can not remember everything that was stated. I have something else to think of except silver in the last year or so, and I am not positive [looking at memoranda book]—I will withdraw the statement that he mentioned a member.

Q. You only refer then to Senators, and he did tell you this paper represented transactions with Senators or a Senator?—A. Well, there were half a dozen men's names mentioned at the time. Now, I will tell you what he said, and it will save you time in asking questions.

Q. It seems to me you might answer that question, but still if you desire to ask one——

The CHAIRMAN. He said it would save you time in asking questions.

Mr. PAYNE. I did not understand him.

The WITNESS. We were in there talking about silver——

Q. Who was in there?—A. Donald and I, and there were other clerks connected with the bank——

Q. Was this conversation with Donald, the cashier?—A. Yes, sir.

Q. You say the clerks were there; were they engaged in the conversation?—A. They were not engaged in the conversation.

Q. Were they in hearing distance?—A. No, sir; I think not. No, sir; there was nobody in hearing distance. And the conversation came up as to the probability of the silver bill passing and the possibility of making or losing money on the purchase of silver and there was not only one man named, one man that is in public life, but probably twenty-five or thirty were named who would vote for silver or vote against it, and he took up his letters and correspondence and the conversation run along—and they occurred quite often, by the way—and he said, "Here is a correspondence with that man, he is in it, and I know what he will do."

Q Now, was that man a Senator or Representative? Did he mention the name?—A. He might have mentioned——

Q. I do not ask you to mention anybody's name now, but did he mention the name?—A. He mentioned a number of names.

Q. But this particular one, when he took up the correspondence and said he knew this man was "in it," did he mention the name or did he show you the letter and did you see the name?—A. He showed the letters but I did not read them.

Q. Did you see the name?—A. I heard the name; yes, sir.

Q. Whom did you hear it from?—A. From Donald.

Q. At that time?—A. Yes, sir.

Q. Was that man named a Senator?—A. You are very anxious to have me answer that.

Q. Certainly; I want to get at all the information you have.—A. I will state positively it is.

Q. That answers the question. Did you see the signature to the letter?—A. I can not say whether I did or not.

Q. You say Donald stated that man was "in it." Was that his language?—A. That is, he was interested; yes, in a pool, and I take it for granted now——

Q. I do not care what you take for granted so much as to know precisely what Mr. Donald said. What did he say?—A. He said he was in correspondence with him. He also said quite a number of gentlemen——

Q. But let us get at this man first. He said he was in correspondence with this man. Did he say anything further?—A. I think the conversation dropped there.

Q. A moment ago you stated he was "in it;" did he say that?—A. He did, or words to that effect; yes, sir.

Q. And probably he would vote, for what?—A. Vote for the silver bill to pass.

Q. What silver bill?—A. The bill, as I understand, Senator Jones introduced for free coinage.

Q. You understood he was to vote for a free coinage bill?—A. Yes, sir.

Q. Did he say whether that man had invested anything in silver or silver certificates?—A. He did not.

Q. Now, in the book you saw of Donald's did you see the name of this Senator?—A. I did not.

Q. Or see any transactions with him in that book?—A. I did not. I understood from Mr. Donald that no accounts of that nature were ever carried in the proper name on the book.

Q. But you spoke a moment ago of getting some information from the book. What information could you get from a book where no proper names were carried?—A. I told you correspondence; I did not say a book in referring to the name.

Q. You did not tell me it was a book then?—A. I told you correspondence.

Q. Did not you tell me it was a check book or draft book?—A. I said I had seen books.

Q. But no silver transactions?—A. That is what I said.

Q. Did you have any other information in regard to this Senator except what Donald gave at that time?—A. Oh, I have had considerable information. I may have had information about you, but I did not know who you were.

Q. But you did know who this man was and he was a Senator?—

A. I knew that correspondence was represented by letters from him, that is, as far as Donald was concerned.

Q. Didn't you say something about the correspondence and indicate the man was a Senator?—A. It was represented by Donald to me.

Q. Donald told you the man's name, did he not?—A. There were a number of names mentioned.

Q. Did he mention one name of a man who would vote for the bill because he was "in it"?—A. I do not want you (to Mr. Payne) to misunderstand me or misconstrue my language.

Q. I do not want to, either.

The WITNESS. If you please. I stated that he showed me correspondence and mentioned this gentleman's name and said he was interested.

Q. And would vote for this bill?—A. And no doubt would vote for the bill.

Q. And that name was the name of a Senator?—A. Yes, sir, it was.

Q. Did you ever hear from Mr. Donald in any way anything else which carried out the idea that this Senator was interested in silver. Did you ever hear otherwise in regard to this particular Senator?—A. I believe not.

Q. This was the only information you had about him?—A. Yes, sir.

Q. Now, you say other names were mentioned. Did Donald mention the name of any other Senator who was interested in silver?—A. Not that I remember of.

Q. At that time, or any other?—A. Possible he might, and I may have forgotten. I have had a good many conversations.

Q. Have you given us all the information you received from Donald on the subject of any Senator being interested in silver or in silver speculation?—A. You mean direct information?

Q. Certainly.—A. You do not want to give any general information.

Q. Give us direct information first. We will get at all of this in good time if you answer my question.—A. I can not answer that unless I had my books with me, and I have not got them with me.

Q. Where are they?—A. In Chicago, some of them, and some are burned up.

Q. Those that are not burned up are in Chicago?—A. Yes, sir.

Q. Whereabouts in Chicago?—A. In a safety vault there.

Q. Are they accessible to you?—A. No, sir.

Q. Were they while you were in Chicago this last week?—A. No, sir.

Q. Why not?—A. I did not want them to be a short time ago, and put them where I could not get at them.

Q. What is that?—A. I did not want to get access to them.

Q. When was it that you put them where you could not get them?—

A. After Stevens's interview or evidence before this committee.

Q. Which was it, an interview or evidence?—A. What purported to be his evidence.

Q. Now you put them in a safety vault so you could not get them?—A. Yes, sir.

Q. How did you manage to fix it so you could not get them? Tell us about that.—A. I think this is my personal affair and I decline to answer unless the chairman makes me.

Q. This is a source of information which we certainly have a right to find out, and I think your attorney will tell you that.—A. If the committee demand it I will have to answer it, I presume.

Q. There is no question about that.—A. I will answer it under protest.

Q. I think the committee all agree in regard to that.—A. It is merely memoranda for my own convenience; there are no books in the formal sense.

Q. It is a memoranda which would aid you to give evidence on this subject?—A. I do not know whether they would or not until I look them over.

Q. Why did you tell me you could not answer my question unless you had access to your books?—A. Possibly by looking at my books and all my correspondence, which is probably five or six hundred letters and ciphers I have used in telegrams, then I could possibly give you a proper answer, which would require a great deal of work.

Q. Are these letters with the books?—A. I think not; some of them are and some are not. I have one or two in my pocket, and some little memoranda and telegrams.

Q. Where are the letters that are not with the books; you say some are with the books?—A. Some of them are in Chicago in my valise or trunk.

Q. And where is your valise or trunk in which these letters are?—A. In my room.

Q. And where is that?—A. Beauravard flats, fifth story, No. 194 Michigan avenue.

Q. That is where the deputy sergeant-at-arms called on you?—A. That is where your honorable representative called on me.

Q. When did you put these books and papers into the vault or safety deposit company; by the way, what deposit company was that?—A. I decline to answer that unless I am compelled.

Q. You decline to answer?—A. Unless the committee make me.

Q. Why do you decline to answer?—A. Because I am doing business in Chicago and interested in a firm there by the name of Field, Weicher & Kling, and our business is of a confidential nature, and it would be probably detrimental to the interests of the firm at the present time for me to state publicly where we are keeping our books, and accounts, and stocks, and liable to be a personal detriment to me, and you are business man enough to know where a man is carrying on a business he does not want everybody to know where he keeps his accounts and collateral, etc., and it would be detrimental to the firm; and it is not in my vault—I said I have them in my vault, I turned them over to my partner.

Q. Did not you tell me these books were personal memoranda of yours?—A. Yes, sir; about many things.

Q. Do you keep your personal memoranda and the accounts of this firm, etc., all in the same book?—A. No, sir; I handed my memorandum books, to the best of my knowledge, to one of the firm, and said to him that there were some memorandum books I did not want; I wanted them taken care of, and for them to be filed away.

Q. Who did you say this member of the firm was?—A. I did not say.

Q. Who was he?—A. Do you think I should answer that question, Mr. Chairman?

The CHAIRMAN. I do not see any reason, unless you can give some reason to the contrary.—A. I think it would interfere with the firm's business and make a great difference to me financially, that is all. It is of a great deal more interest to me and the firm than all the silver business that was ever passed by Congress.

Mr. PAYNE. That is a broad statement, the silver business has been

going on for many years.—A. I have not made any money out of it, I will pledge you my word on it.

By Mr. OATES:

Q. At the time you deposited these books you knew that this committee was intending to get your testimony?—A. No, sir, I did not.

Q. How late was it when you deposited those books?—A. As well as I remember it was about the first of this present month; a few days after I had made arrangements with this firm after returning from the West to go into business with them, and on a salary also, and I did not want these memoranda, they were personal memoranda and letters.

Q. You knew, when you were attached for contempt to be brought here, the purpose of it; that it was for you to testify before this committee about this silver-pool business?—A. I knew I was attached for the purpose of testifying before this committee about the silver speculation; yes, sir.

Q. You knew at that time, did you not, that if you had an opportunity of looking at these memorandum books then you could testify more fully than you could in their absence?—A. No; I do not know that.

By Mr. PAYNE:

Q. Did you state you deposited those books after you read Stevens's evidence?—A. Some, I said, were laid away after that.

Q. Some were laid away the first of the month, and some after reading Stevens's evidence?—A. Yes, sir.

Q. Did you deposit before or after you wrote that letter [handing letter to witness]? You wrote that to Stevens, did you?—A. I did not write that letter.

Q. Did you dictate it?—A. I told an attorney what I wanted to say.

Q. Well, it was written on a typewriter?—A. It was written out and brought to me.

Q. Did you read it?—A. I asked him——

Q. But did you read it?—A. I read part of it.

Q. Did you know what was in it?—A. I knew the general purport of it; yes, sir.

Q. Was it before or after you signed that letter and sent it to Mr. Stevens—you did sign that and send it to Mr. Stevens?—A. I did.

Q. Was it before or after you sent that letter to Mr. Stevens you put the balance of these books away?—A. It was after that. I intended to bring them with me, if you will allow me to make an explanation of that——

Q. What changed your purpose of bringing them with you?—A. If you will give me an opportunity I will tell you.

Q. Certainly.—A. I have got some memorandum books something like this, diaries in other words, and I intended to bring with me so I could refresh my memory and testify intelligently, and I had seen the Assistant Sergeant-at-Arms and had asked if I could stay over till Monday, and he said he thought there was no trouble and we could leave at 8 the next day, I think; but at 5 o'clock he got a mandatory telegram from the Sergeant-at-Arms saying that he should bring me on the first train, and I had then to go and pack my satchel and get what clothes I had, and gather what I could, while he and another man were standing waiting there, and I think we had about 8 minutes to catch the train. He told me we had to go on that train and we must get on that train, and in the rush to do that I forgot those books. It is not with

any intention of keeping any information away from the committee at all.

Q. You had no such intention when you had them put in the vaults of this safe deposit company?—A. I think you misunderstand me, Mr. Payne. I tried to tell specifically that some memoranda and some diaries I had for my personal use, probably my family use, referred to my family affairs and personal affairs outside of any contemptible silver business, that I had put those away because I did not want anybody else to see them.

Q. Those you put away the first of the month?—A. Yes, sir, before I knew anything about your silver committee.

Q. And when you put away those memoranda which did relate to the silver pool business—A. No, sir, I had then packed up and intended to bring them, but I came off and forgot them; I had them in my trunk.

Q. Those are in your trunk?—A. Yes, sir, and I will telegraph for them if you want them.

Q. They are in your room or lodgings?—A. Yes, sir. If you pay for the telegram I will send for it now.

Q. There is no hurry about it, you can do it to-night. I want you to do the best you can.—A. I am perfectly willing to do that and I simply want a fair showing. I don't want to make any statement to this committee which is incorrect.

Q. And they do not want you to.—A. And I am not here to injure any man's reputation or character, although some who have appeared before this committee have tried to injure mine.

Q. Do not say that; we do not want anything of that kind said.

The CHAIRMAN. It is now time for the committee to adjourn, and the committee will adjourn until 10 o'clock to-morrow morning. The Sergeant-at-Arms will see that the witness is in attendance at that time.

The WITNESS. There will be no trouble about the witness.

Thereupon the committee adjourned until to-morrow (Tuesday), February 3, 1891, at 10 a. m.

ROOM OF COMMITTEE ON RIVERS AND HARBORS,

Tuesday, February 3, 1891.

The special committee appointed to investigate certain alleged silver pools, this day met at 10 a. m., Hon. Nelson Dingley, jr., in the chair.

Present, the Chairman, Messrs. Payne, Rowell, Peel, and Oates.

TESTIMONY OF J. A. OWNBEY—Continued.

Mr. Johnson, the attorney for the plaintiff, said: If the chairman please, before proceeding further in your inquiry, I desire to inquire, as I am here by courtesy of the committee and that I may possibly shorten my time, this: In the progress of the investigation, will the committee be governed by what we lawyers term the rule of evidence, or will the committee be governed in the prosecution as a court of inquiry, which is to take in everything and then sift the facts. The latter being the case, of course, I have very little duty to perform here and I have duties at other places. I simply make this inquiry for the purpose of satisfying myself.

Mr. PAYNE. The committee have adopted the rule, Mr. Johnson, of confining itself as nearly as possible to the rules of evidence so far as consistent with the inquiry of this kind; not to be governed rigidly by those rules, but so far as consistent to elicit the truth in the matter under investigation.

The CHAIRMAN. Of course, with regard to that question, cases may arise which may be determined by the committee.

Mr. JOHNSON. I make the inquiry because some of you gentlemen know in courts of inquiry they take in everything that everybody knows and then sift the evidence regardless of relevancy or competency at the time.

I simply wanted to know.

The WITNESS. I want to make one little statement, if the chairman and the committee please. I was sick and tired yesterday evening when I came here, and have been ill for 3 or 4 days, and had no rest, and some of the questions I did not understand, and I was irritable, and was not feeling well, and if the committee will be kind enough to ask pointed questions, and make them plain, I will answer them; and if I am capable to answer in a moment, I will be glad to answer any and all questions, and give all names that I have knowledge of, and do it directly.

By Mr PAYNE:

Q. I want to ask one question. You spoke about some books in your room in your trunk at Chicago, and I understand they were of an individual nature, diaries and memoranda?—A. Yes, sir.

Q. Did you keep more than one diary for 1890?—A. I kept a number.

Q. You kept a number for 1890; for that one year?—A. Yes, sir; three, four, or five.

Q. You kept four or five diaries?—A. Yes, what I call a diary; a little memorandum book.

Q. Similar to that [referring to one witness held in his hand]?—A. Yes, sir.

Q. Do you mean you fill one and take up another?—A. Yes, sir.

Q. That one you produced yesterday—you referred to some conversation you had with the cashier of this bank, did you not?—A. Yes, sir.

Q. What period does that one cover?—A. That covers about the last 3 months, I think it is.

Q. The last 3 months of 1890?—A. Yes, sir.

Q. And these others cover the rest of it?—A. Yes, sir.

Q. Those in your trunk?—A. Those in my trunk and I think I gave —

Q. In your trunk and in the vault?—A. The papers I supposed proper and necessary to bring here I left in the trunk, because I came off hurriedly and forgot them. The others I did not suppose I would need and I gave them to Mr. Weicher.

Q. Those you gave him about the 1st of January?—A. Yes, sir; about the 1st.

Q. And those you thought you needed you did not give to him?—A. No, sir.

Q. Then you expected about the 1st of January to come here as a witness?—A. No, sir; I did not.

Q. How did you come to save these out which you thought you would need as a witness?—A. How did I come to save them out?

Q. Yes, sir.—A. Because that referred to matters and correspondence and did not apply to this—to personal and domestic matters.

Q. By the way, this firm of Field, Weicher & Kling—A. There is also a man named Butler.

Q. What is the place of business?—A. 516 Chamber of Commerce building, corner of La Salle and Washington streets.

Q. What is their business?—A. It is a mining company and fiber business.

Q. What business had you?—A. I am interested with Messrs. Wei-cher and Kling in the fiber business. I am also interested and in the employ of the mining company.

Q. Now to go back to your conversation you had with the Hanover Bank cashier and the assistant cashier. Did you derive any other information from either of them in regard to any member of either House with respect to transactions in silver or silver certificates?—A. In their conversation, not seeing the papers?

Q. In their conversations now. You got through with the papers, as I understood you?—A. Yes, sir; I suppose so.

Q. Now, I want to know if there was anything in the papers either showed you aside from what you stated yesterday connecting any Senator or Representative or any employé of either House or official of the Government with any silver transaction?—A. Yes.

Q. There was something in some papers. Is there anything besides what you stated yesterday in any paper or book shown you by them connecting anybody in the employ of the Government in an official capacity or any Senator or Representative in any silver transaction including certificates?—A. I wish you would make that question a little shorter and not quite so hypothetical and I will try to answer it. I want to answer it.

Q. Yesterday you said they showed you some letters and stated some Senator, naming him.—A. I beg your pardon, I did not say that. I said he showed me——

Q. Well, the cashier showed you?—A. Yes, sir.

Mr. OATES. Was that Donald, of the Hanover bank?—A. Yes, sir.

By Mr. PAYNE:

Q. Now did Mr. Donald show you any other papers or letters, or papers connecting any Senator or Representative or any official with silver dealings?—A. Not that I read——

Q. Well, any that he said connected them.—A. No, not directly; no, sir.

Q. Well, any that you obtained any knowledge or information that connected any Senator or Government official?—A. From reading the papers or what he said.

Q. I do not care how you got the information.—A. Yes, sir.

Q. How did you get that information?—A. From his statement.

Q. Then he stated to you that papers shown you connected some Senator or Representative?—A. Now, you are referring to conversation. If you apply this to conversation I will answer and make it plain.

Q. Did he state to you that any Senator or Representative was connected with silver transactions?—A. Yes, sir; I will give the names if you——

Q. Did he name the Senator or Representative?—A. Yes, sir.

Q. No, sir, I do not want you to state the name of any Senator or Representative that you state Donald said was interested in any transaction. We will have Mr. Donald state that if he knows anything about it. Did he say whether more than one Senator or Representative was interested in silver?

Mr. OATES. I am inclined to think we ought to have him state the names.

The WITNESS. I will decline to answer the question unless I am permitted to state the names now.

Mr. OATES. We can reach Mr. Donald and have his statement.

Mr. PAYNE. We had an instance yesterday of a name being mentioned, Mr. Clunie, of California, and of his righteous indignation in regard to it, that his name was published in the papers on mere hearsay evidence, and I must say that I sympathized with his indignation over the subject.

Mr. ROWELL. I propose to insist he shall state what Mr. Donald stated to him, leaving out the names of the members connected, and by that we will get out all there is of this.

The WITNESS. I can not state it correctly unless you will let me give you the names.

Mr. ROWELL. That is a strange thing that you can not state the conversation and pass over the names. Most any intelligent man ought to be able to give a conversation without giving the names; newspapers give interviews suppressing the names of parties and I think you could answer the question and suppress the names.

Mr. PAYNE, Mr. Ownbey, you can try to give the conversation between yourself and Mr. Donald without giving the names of any Senator or Representative, but referring to them as Senators or Representatives.

The WITNESS. I can not do it.

Mr. PAYNE. Well, try to do it.

Mr. ROWELL. Yes, you can do that.

The WITNESS. I will not give the names unless the committee insist. I will not do it.

By Mr. PAYNE:

Q. Try to.—A. Life is too short to try and have you mix me up; life is too short for you to try to make me out a perjurer.

Q. Did Mr. Donald tell you any person who was a member of the House of Representatives had been interested in any silver transaction?—A. Are certificates included in that question?

Q. Yes, sir, certificates.—A. He did.

Q. How many members of the House of Representatives did he tell you were interested in silver transactions?—A. I do not remember exactly the number. I think there were about 7. It was over 1; I will tell you that.

Q. Did he name them?—A. He named a part of them, and probably all; I can not remember that.

Q. Did he say they had bought silver or silver certificates, any of them?—A. He stated they were interested in the deal through certain parties.

Q. He stated they were interested in the deal through certain parties?—A. Through brokers, certain parties.

Q. Did he tell you who the parties were through whom they were interested?—A. He named two of the institutions or parties through whom they dealt.

Q. Two of the institutions?—A. Yes, sir; the Fourth National Bank and the Chase National Bank, of New York.

Q. He said these members were interested through the Fourth National and the Chase National banks, of New York?—A. That they were doing their dealing through them.

Q. Did he state whether any members had dealt in silver or silver certificates through anybody else or through any other institutions than

those two?—A. I am not positive as to that; I think he did, probably two or three others.

Q. You think he did?—A. Yes, sir.

Q. Two or three others?—A. Yes, sir.

Q. Can you give the names of those institutions?—A. I think I can.

Q. Will you give them, please?—A. Zimmerman & Forshay, August Belmont & Co., and I think it is Carson & Simonds or Simonds & Carson.

Q. Of New York?—A. Two are from New York, and I do not remember where Carson & Simonds are from. I understand the order was given for the silver, and it was bought in London through these parties to cover the tracks.

Q. Did he tell you it was given and executed in London to cover up the tracks?—A. Yes, sir; that was the general understanding.

Q. Did he tell you that?—A. Yes, sir; and he said politicians were pretty hard men to clean up after.

Q. Donald said that?—A. Yes, sir.

Q. Now, did Donald tell you how he found out or how he became acquainted with these facts?—A. In a general way, he did not go into details.

Q. Did he tell you who he got his information from?—A. He said he got it from his agent here, from the private agent he had here, a man that he could deal in close relations with here and said that he had a man here and kept in his regular employ to deal with them direct. That is, he had access to them and talked to members——

Q. Did you say he kept a traveling agent here?—A. No, sir; I did not say any thing of the kind.

Q. Or a local agent here?—A. No, sir; his personal agent, a man he had employed here to talk with you gentlemen and report to him.

Q. Now, did he tell you who this local agent was?—A. He did not.

Q. Did you ever know who this local agent was?—A. I did not.

Q. Have you any information on the subject?—A. No, sir; he said when he had any doubts he came here to see for himself.

Q. Did he say he had a Congressman here?—A. Yes, sir; he had a friend who was a Representative here——

Q. He also had a friend?—A. Yes, sir; a member in the House.

Q. He had a friend who was a Representative in the House?—A. Yes, sir, and a Senator also.

Q. Then he had two friends, one a Representative and the other a Senator?—A. Yes, sir; I understood him to refer more directly to the Representative.

Q. And he got information through them?—A. Yes, sir; and when the agent could not tell him satisfactorily, he came on here.

Q. Who, Donald?—A. Yes, sir.

Q. He came on here to Washington?—A. Yes, sir.

Q. This agent was here and gave him information?—A. As I understand it.

Q. Did Donald claim to be interested in this same transaction or business?—A. Yes, sir.

Q. I mean transaction in silver or certificates or representatives of silver?—A. Yes, sir. I will make a statement, if the committee will permit me, in writing and give you the details——

Q. I do not care about any statement in writing. I want it as it occurs to your mind as we go along. Now, did he state the amount of silver or certificates that any Senator or Representative had bought?—A. No specific amount.

Q. Not of any of them?—A. Only the total amount that was agreed—

Q. The total amount that was bought by each one of them?—A. That was agreed to be bought by each one.

Q. What did that amount to in the aggregate for all of them?—A. One million dollars' worth of silver.

Q. Do you mean a million ounces?—A. I mean the silver bought at the market price, so much per ounce, the par value and market, was \$1,000,000 cash, that is exactly what I mean. It was varying in price, 94, and it may have been 97 or 101.

Q. Was it from 94 to 101 it was bought?—A. To the best of my recollection it was about 97. It averaged from that up to 102 or 103, as I understand.

Q. When did he first tell you this?—A. I can not give you the date.

Q. Well, about when?—A. Oh, some time between April and July.

Q. That he first told you?—A. Yes, sir.

Q. Did you have a number of conversations in which this was talked about?—A. Oh, yes; I had a number of them.

Q. Was anyone present at these conversations except yourself and Donald?—A. No, sir; no one except myself and Donald.

Q. Not even the assistant cashier?—A. No, sir; not when these conversations took place.

Q. When was the last conversation you had with Donald on that subject?—A. I do not remember the date, sir.

Q. Did he ever tell you about the sale of this silver?—A. The sale of silver—no, a part of the silver—was mentioned, but what as to what part or what amount he sold, was not mentioned.

Q. When did he tell you a part of the silver was sold?—A. I do not remember the date.

Q. Well, about when?—A. Sometime between May and August.

Q. Did he tell you what it brought, I mean what had been sold?—A. He did, as well as I remember, but I forget what the amount was which was mentioned.

Q. You can not remember the amount?—A. No, sir.

Q. I see you refer to a memorandum on the back of some blank checks?—A. Yes, sir.

Q. When was this made?—A. It was made a little while ago.

Q. From what source did you get your information to make these memoranda?—A. I had some telegrams here and letters from Mr. Donald and other parties there, and I made the memorandum from those dates.

Q. When did you make those memoranda?—A. I think about half an hour ago.

Q. Have you the telegram and letters from which you made them with you?—A. Yes, sir.

Q. Will you produce those?—A. I think so.

Q. Suppose you hand them to the chairman now?—A. Do I get them back again?

Q. I think likely you will. I certainly shall not keep them, and I do not suppose the chairman will. We will give you a guaranty to that effect.

The CHAIRMAN. You shall have them back.

The WITNESS. Now, you will not expect me to leave them in the hands of the committee. I will give you copies of them, but I will not leave them in the hands of the committee. I may need them, as I may want them to bring suit by and by.

Mr. PAYNE. We will hand them back to you to-day.

The WITNESS. I am willing the clerk shall make copies of the papers and dates, but I want to take them back now.

Mr. OATES. We want to examine them first.

The WITNESS. All right. I do not mean any disrespect to the committee, but they cost me a good deal of money. There is one from Mr. Donald [handing same to chairman].

Mr. PAYNE. Where are the rest of them?—A. I will get to them by and by; give me time. There is a cipher written up from Mr. Donald, and I forget whether his stenographer did that typewriting or not.

The CHAIRMAN. Are these all?—A. I want to look at these before I decide whether to give them to you or not. There is a little note he wrote me. This does not refer to it at all, it is another matter [looking over bundle of papers].

By Mr. PAYNE:

Q. Are these all the papers from which you made up your memorandum?—A. No, sir.

Q. Well, I supposed you were giving us all.—A. All I have with me.

Q. You made up these memoranda, you say, half an hour ago?—A. Yes; about that time.

Q. Are these all the papers from which you made the memorandum half an hour ago on the Sergeant-at-Arms' blank check you have with you?—A. No; I made some memorandum; but these are all the papers referring to Mr. Donald.

Q. Are these all the papers from which you made up this memorandum?—A. With regard to Mr. Donald? yes, sir.

Q. Are there other papers which do not refer to Donald?—A. That I made memoranda about? yes, sir.

Q. Have you those with you?—A. Yes, sir.

Q. Will you produce those also?—A. I have not been asked for them.

Q. Well, I ask you now.—A. There is another little instruction which Donald gave me. I want that back too. You can read that [handing same]. There is another paper I made a memorandum from, that is it is a personal letter, and here is a card in it referred to there from Mr. H. B. Parsons.

Q. Now, have you given the chairman all the papers from which you made your memorandum half an hour ago?—A. To the best of my knowledge, I have. I can tell by looking at my memorandum here.

Q. Well, look at it and see.—A. I would like to have that letter read out.

Q. We will get to that afterwards.—A. I would like to have the newspaper men see it.

Q. We are not running this for the purpose of—A. I know you are running it much one-sided.

Q. Now, do not find fault with the committee before you get through.—A. Mr. Parsons gave me a turning over to the committee and I simply want the press of the country, which publishes slurs on me, to see that letter. I think I have a right to demand that. This is from Mr. Parsons, and if you want to verify his signature you can go to any of the banks and they will verify it.

Q. You say you have now given all the papers from which you made this memorandum?—A. Yes, sir; I believe that is all from which I made this memorandum a few minutes ago.

Q. Now, we will proceed with this, then. Did you make an arrangement with Mr. Donald by which you were to furnish him information

as to the progress of legislation on financial matters here and you were to be compensated for it?—A. I was to have an interest.

Q. Well, that would be compensated. You had an arrangement?—

A. Yes, sir; I am a victim of verbal contracts.

Q. When did you make it?—A. I can tell you about when if you hand me those dispatches, as I will have to look at the dates.

Q. I will ask you later.—A. I will not answer the question then.

Q. Now, will not you state what the contract was between you and Donald—this verbal contract?—A. I will get the language in the right shape in a moment, as soon as I can. You had better let me write out a statement and then criticise it, as I want to make it as explicit as I can.

Q. Well, we want you to; but what I want to know is what the contract was between you and Donald.—A. The agreement?

Q. The verbal agreement between you and Donald.—A. That I was to give him all the information I could, that is about the silver legislation and financial matters, and in consideration of that he was to furnish me money and pay my necessary expenses and personal expenses during the progress of the legislation, and for that I was to have one-fourth or one-fifth of whatever was bought of the silver by the party which was made up. He said it would be made up and there were 1 or 2 men he had not seen and he wanted to talk to them about it. It was not a regular pool but just a party of gentlemen getting together and agreeing to put in so much money, and I was to share and share alike whether there were 4 or 5 in it. I stated I wanted nothing bought less than \$1,000,000, and he gave his word that nothing would be bought less than that, and if 4 went in I was to have one-fourth, and if 5 went in I was to have one-fifth.

Q. You were to have an equal share with the others?—A. Yes, sir; that is the first conversation we had. We had a conversation later than that.

Q. That is the first arrangement?—A. Yes, sir.

Q. Were you to put any money into the business?—A. How is that?

Q. Were you to put any money into the business, or only your talents and time; 1,000,000 ounces of silver would cost something; were you to put any money in?—A. If he could arrange with the bank and I got it from another source I was to put in money; that is, the party was to carry it for me; I was not to be left, anyway.

Q. Mr. Donald stated that to you?

Mr. OATES. Mr. Chairman, I have to go to another committee for a few moments, but I will return in a short time.

The WITNESS. I would rather wait until that gentleman comes back.

Mr. PAYNE. I guess we will go on; Mr. Peel will look after you in the absence of Colonel Oates.

The WITNESS. I object to it.

Mr. PAYNE. We have a quorum here and while we all regret his absence still I guess we will go on. You say that was the first arrangement. Was it afterwards modified in any way?—A. I decline to answer that question until that gentleman comes back.

Mr. ROWELL. Proceed to ask the question so as to have that down.

By Mr. PAYNE:

Q. You decline to answer any questions until Colonel Oates comes back?—A. In a direct examination I would rather not, and I think I am entitled to that. I do not even know Colonel Oates, but I would prefer to have him back.

Q. If there were only 3 members present it would be just as much contempt to the House for you to refuse to answer.

The WITNESS. Very well; go ahead.

Q. I thought you would reconsider before you got through. Did you have any subsequent arrangement?—A. Yes, sir.

Q. What was the subsequent agreement between you and Donald?—A. He said that the thing had got in such shape, and so many people were buying that he would have to know what I would be satisfied with—for instance, if he wanted to make an arrangement with other people—he wanted to know what I would be satisfied with, and what amount was to be carried for me.

Q. What did you tell him?—A. Two hundred and forty-five thousand ounces and no interest to be charged me for money which was to be paid at margins for carrying that.

Q. What did he say to that?—A. He said he would let me know later in the afternoon.

Q. What did he finally say?—A. He finally stated that that would suit him; that was later in the evening.

Q. Was that agreement ever modified afterwards or any new agreement made after that between you and Donald?—A. No; no specific agreement.

Q. You have stated what he was to do; will you state what you were to furnish?—A. I was to furnish all the information I possibly could from the committee proceedings, proceedings of the House, and get them in advance of the newspapers or anybody else if I possibly could. I was to do the best I could.

Q. Did he furnish you that little instruction [referring to paper]?—A. He gave me that; but generally instructions verbally.

Q. Were these the written instructions?—A. That was the only written instructions he ever furnished me.

Q. When did he furnish you this?—A. I forget.

Q. When, in point of time in relation to this verbal agreement, did he furnish you the written instructions?—A. Let me see that.

Q. Certainly; you can read it aloud, Mr. Ownbey.—A. I will give it to one of the reporters and let him read it if you desire it. I think this was about 2 weeks after our agreement about the silver matter.

Q. The first agreement?—A. I think it is, to the best of my knowledge.

Q. How long an interval between the first and final agreement?—A. can not tell you.

Q. About?—A. Probably a month.

Q. Well, I will try and read this myself:

In what way will Senate instruct the Secretary to invest the \$58,000,000 national-bank funds? Provision should be made for its investment in Government bonds, say within \$10,000,000 of the total amount.

A. Yes, sir; he wanted me to find that not in addition, if I possibly could, outside of the silver matter.

Q. When did he first speak of this \$58,000,000 national-bank redemption fund?—A. At the time he wrote that.

Q. He never had spoken of that before?—A. No, sir.

Q. Just reflect a moment and see whether that was not his principal concern or not?—A. No, sir; not a bit of it.

Q. That is what he wanted information about?—A. No, sir; nothing of the kind.

Q. That is only an incidental matter?—A. Yes, sir.

Q. And this is the only matter on which he thought it was worth

while to give you written instructions?—A. No, that was not the reason of it.

Q. This is the only matter on which he did give you written instructions?—A. Yes, sir; that I suppose is what you say the thing was. I think I can explain it. There are some written instructions on some other things, I think.

Q. Do you say this is in Donald's handwriting?—A. Yes, sir; I saw him write that.

Q. And it was while the bill was before the Senate committee, was it not?—A. I do not remember. It was a new thing to me and he commenced to tell me about this thing, and I said, "I have not time to wait on that, write what you want;" and he wrote that down while I stood at the window, in front of the cashier's window. I did not understand what it was, and did not for a week or two afterwards. I did not fully understand it then.

Q. Now we will go back to the telegrams. The first seems to be dated November 30, 1889, New York, to James A. Ownbey, National Hotel, Washington, D. C.:

Yours of yesterday received. I will write you to-day.—D.

Q. Did he write you?—A. I think you will find some previous dates to that.

Q. No, this is 1889, a year ago November.—A. That telegram does not refer to that then. I probably gave you the wrong telegram; this does not refer to that.

Q. I want to call your attention to the fact that this is just previous to the meeting of this present Congress. It met the first Monday in December, which I believe was the 1st day of December, 1889, and this is dated the 29th of November?—A. This, to the best of my recollection, has no reference to the silver matter.

Q. I will ask then whether he did write you?—A. I suppose he did.

Q. Have you the letter?—A. I have not, to the best of my recollection.

Q. Can you tell what he referred to?—A. I think I can.

Q. What was it?—A. He does not refer to this silver matter at all.

Q. The next telegram appears to be dated June the 16th, 1890.—A. There is another thing—

Q. Is there something more you wish to say about the other?—A. Yes, sir; I want to say that I kept no memorandum, but if I had my checks and statement from the National Bank of the Republic through whom I drew my check the date will show.

Q. You had an account at the National Bank of the Republic?—A. Yes, sir; I used to draw on the Hanover National Bank for money, and these checks, if not destroyed, are in the hands of the Hanover National Bank, and I guess that they would show the date if I could get them.

Q. You drew on the Hanover National Bank through them here?—A. I simply drew checks out of this check-book which was given me by Mr. Donald (exhibiting the same) of that nature, and I handed them to the cashier there and I told him to ask the Hanover National Bank of New York whether that check was good or not.

Q. Will you let me see it?—A. I did not keep the stubs, that was my instruction.

Q. Who instructed you?—A. Mr. Donald.

Q. Not to keep the stubs?—A. No, sir. You will have no trouble in getting all the information I have, and I will give it to you straight.

Mr. OATES (handing back blank check on which memoranda had

been made). Here is your check back.—A. I do not suppose I will have any use for that hereafter. I make you a present of it. (To Mr. Payne). You can look that clear through if you wish.

By Mr. PAYNE :

Q. I am going to. I suppose you handed it to me for that purpose. Although there are no stubs, there appear to be some memoranda in your handwriting?—A. Yes, sir; those are where I used the money for personal accounts and made a memorandum of it.

Q. So as to render an account to Donald?—A. Yes, sir.

Q. Now if you turn to the last page on the book and cover you will find some memoranda headed "checks," which also appear to be in your handwriting?—A. Yes, sir.

Q. Now, can you tell us from that what checks you drew and explain this memoranda?—A. Yes, sir; there is a check on the Bank of the Republic—that is where I had some money then.

Q. You had a personal account at the Bank of the Republic?—A. Yes, sir. Then there is \$15 that was drawn, as well as I remember, in favor of Mr. Steinmetz, a hat and fur dealer on Pennsylvania avenue. That is money I used for my personal account. Then there is Downey \$15 and Russel \$25. That is money I also used for personal expenses, and when I would go to New York I had this memorandum and I would state to Mr. Donald how much I used for myself personally and the balance was charged to that extent. It was simply to let him see and know how much money I was using for my personal use.

Q. Then he would refund the money?—A. No, sir; simply keep a memorandum of what expenses there was.

Q. So as to settle up?—A. So as to balance; keep things straight.

Q. You did not keep any memorandum of checks you drew; can you tell us the amounts of those checks?—A. It averaged all the way from \$25 to \$250. I think the largest ones were from \$200 to \$250, generally \$50, \$100, and \$125.

Q. That you usually drew in checks?—A. In checks and drafts, and deposited them as a rule in the National Bank of the Republic, and handed Mr. Bradley the money to pay for a telegram to that bank asking whether they would be honored or not.

Q. Did he do business with the National Bank of the Republic?—A. Mr. Bradley—Mr. Bradley was the cashier, and I think he is the cashier now.

Q. Who else was there?—A. Mr. Wilson and also Mr. Moses—Mr. Brice Moses—the paying teller.

Q. Have you handed checks to all three of those?—A. At different times.

Q. Drawn on the Hanover National Bank?—A. Yes, sir.

Q. That answers that. Now to return to these telegrams.—A. Now you went off of that and I want you to let the reporter read my testimony about these telegrams. I do not want to get mixed up about them.

Q. Well, it is important you should not get mixed up. You should remember what you testified about them. What particular point do you want information on?—A. I want to know what your last question was.

Q. Then I will repeat the question now.—A. I prefer to have it come from the stenographer's notes.

Q. If that is all there is of it?—A. I would rather know what I testified to.

Q. Now on the telegrams—you need not testify if I asked you the question.—A. Very well, with pleasure.

Q. That is right. You have got to let me run my side of this examination; you can not. Now take the telegram of the 16th of June, 1890.—A. I was explaining this November telegram and that is what I want to know about.

Q. If you have any explanation to make in regard to it you can have the stenographer read it over to you.

Mr. ROWELL. The witness has no right to have the testimony read over to him.

The WITNESS. I want to see what I said about this telegram and I want to be correct in regard to dates.

By Mr. PAYNE:

Q. The stenographer will read the question, then.

The stenographer read as follows:

Now, we will go back to the telegrams. The first seems to be dated November the 30th, 1889, New York, to James A. Ownbey, National Hotel, Washington, D. C.

“Yours of yesterday received. I will write you to-day.—D.”

Did he write you?—A. I think you will find some previous dates to that.

Q. No, this is 1889—a year ago November.—A. That telegram does not refer to that then. I probably gave you the wrong telegram. This does not refer to that.

The WITNESS. I will not be positive in relation to that without referring to the date when I drew these checks through the bank and looking up other telegrams.

Q. Then you can not say whether that referred to the silver business or not?—A. No, sir; but I am under the impression it does.

Q. You see it is only 2 days before Congress met?—A. I am not positive, however.

Q. Can you tell me whether he did write to you as he said he would in the telegram?—A. No; I am not positive about that but generally when I was in doubt I went over to him and saw him and talked verbally.

Q. Look at the date and see whether that is it. I do not know whether it is the 2d or the 21st of December. Certainly it is not the 29th of November?—A. No this is not what he wrote to the best of my knowledge.

Q. Have you the letter which he wrote you on the 29th of November?—A. I think—no I have not. If I have it is in my memorandum which I left at home, which I will send for.

Q. In your trunk at Chicago?—A. Yes, sir.

Q. I think we will request the Sergeant-at-Arms to write a dispatch, or let Mr. Ownbey dictate it, for that trunk.

The WITNESS. That is unnecessary as I will send a telegram if it is the request of the committee, to my wife and ask her to pick out those papers.

Q. You had better have them all sent and then you can look them over here?—A. No, sir, they are all marked.

Q. Is your wife in Chicago?—A. Yes, sir; there is no trouble about your getting them at all.

Q. I have not experienced any apprehension except that your wife might leave out some important papers, not knowing the importance of them, and if you had them all here you could pick them out yourself.—A. I wrapped up in envelopes all the papers I wanted and put a rubber on those that I wanted to bring before I came away, but the Sergeant-at-Arms notified me that we had only about 30 minutes to catch the train, and in the hurry I forgot them.

Q. Will you send a dispatch to-day?—A. I will send one now.

Q. We can not stop the examination, but after we take a recess you can send a dispatch.—A. Yes, sir; if the committee will pay for it.

Q. I think the Sergeant-at-Arms will find money enough. Now we will come to the next dispatch, and that is June 16, 1890, which dispatch is dated New York, and is to James A. Ownbey, 1531 I street, NW., Washington:

Can not come, called on a jury.—D.

That is from Mr. Donald?—A. Yes, sir.

Q. On the same date, same direction:

Dispatch true, copy received, do not understand twelve hours.—D.

What does that refer to?—A. That refers to some information.

Q. That you had given?—A. I think I gave it.

Q. A dispatch from you?—A. I think so.

Q. Which he did not seem to understand?—A. I think I mentioned to him I thought I could get information at a cost of so much, possibly.

Q. You think you telegraphed him that you could get information which would cost that much?—A. That I believed it would.

Q. You have no copy of that dispatch?—A. No, sir.

Q. Can you tell from recollection how it was your dispatch was directed?—A. I think it was directed to Mr. Donald.

Q. What is his first name?—A. James M. Donald.

Q. Hanover National Bank, New York?—A. Yes, sir.

Q. But you can not remember what the dispatch was?—A. No, sir; I can not remember that.

Q. Now on the 17th—I will ask you what was the “copy received”? The dispatch reads, “Dispatch true. Copy received.”—A. I think he referred to a copy of what I believed at the time, or had reason to believe, was from that silver bill, a certain clause in it, not exactly a copy of the silver bill but what the bill was to include, or rather was expected to be incorporated in the bill.

Q. Then you gave him what you believed to be a copy of the bill?—A. No, I did not say that. I stated a portion of the bill. I did not say anything of the kind. I said a portion of the bill; a clause or clauses of the bill.

Q. And that clause of the bill relates to what?—A. To silver.

Q. Not to the 58 million redemption fund?—A. Certainly not.

Q. And that you had sent him by mail?—A. I forget whether I sent it by mail or by telegraph. I think I sent it by mail and I also tried to abbreviate it and sent it by telegraph.

Q. If you sent it by mail did you send him a printed copy?—A. It was written out, I think in a pencil form. I did not write it. I forget whether it was written with a lead pencil or with ink.

Q. Did you obtain that from some one else?—A. Yes, sir.

Q. Was the person from whom you obtained that a Senator or Representative, or was he some outside party?—A. It was not a Senator or Representative.

Q. Who was it you obtained that from?—A. I can not answer that question.

Q. Why not?—A. In justice to myself I can not do it.

Q. Do you know who it was?—A. I think possibly I might; I think so; yes, sir.

Q. Why can not you answer it?—A. Because in justice to myself and in self-defense I can not answer that question.

Q. In what way would it involve you to give us the name of that party?—A. I think it will involve my political rights.

Q. In what way?—A. I will ask my attorney about that. (Here the witness consulted his attorney.)

Q. Who was it?—A. I do not think I can answer that question in self-defense, without involving myself.

Q. Why can not you answer it?—A. Well, I have stated very plainly that I can not answer that question.

Q. You have stated you could not, but you have not given a reason.

By Mr. OATES:

Q. Would your answer subject you to a criminal prosecution?—A. I do not think it would, but it would possibly to a suit for damages, and I could not answer it on that account. Do you belong to any secret organization, if I may ask that question?

Mr. OATES. I am not on the witness stand.

The WITNESS. That is all I wanted to say.

Mr. PEEL. I do not believe I got your question exactly, Mr. Payne.

By Mr. PAYNE:

Q. I asked who the person was. Is that the only reason you have, that it might subject you to a civil suit for damages; is that the only reason you have for not answering the question?—A. No, I have two or three other reasons for not answering.

Q. What are your other reasons?—A. I regard my pledge I gave to the gentleman that gave me that information—it was not a copy of the bill but a part of the bill, a copy of a portion that was to be incorporated in the bill—and I regard my pledge to him as sacred as my oath I took here, and I think I should be violating that, and therefore I declined to answer the question. I think if I was not criminally liable I would be morally and I think a moral wrong is worse than a criminal wrong.

Q. Was he an employé of the House or Senate?—A. I will have to decline to answer that.

Q. Why do you decline to answer that question?—A. For the reasons I have previously given you.

Q. Do you mean to say you have given any obligation not to say it was not an employé of the House or Senate? You do not mean that, do you?—A. I do not understand you.

Q. Do you mean to say you have given any pledge which you consider sacred not to divulge the fact whether it was an employé of the House or Senate who handed you a copy or a portion of that bill?

The CHAIRMAN. He has already stated, as I understand, that it was not a Senator or Representative.

The WITNESS. I did not get your question, Mr. Payne.

By Mr. PAYNE:

Q. You declined to answer the other question on the ground that it would subject you to a criminal prosecution for damages?—A. I stated possibly so.

Q. And also on the ground you had given a sacred pledge that you regarded as sacred as your oath you have taken here?—A. Yes, sir.

Q. Not to divulge the name of the men who gave you that bill. Now I ask you if you have given any oath or pledge that you would not divulge whether that person was an employé of the House or Senate?—A. I can not answer that; I think it is equivalent to answering the other question.

Q. You can not answer that?—A. Your last question; I am sorry of it, and I would be glad to answer that question.

Q. I want you to state the reason why you can not. I will state it again.—A. I think to answer that question would be equivalent to answering your first direct question.

Q. Did you tell Mr. Donald who your authority was?—A. No, I did not.

Q. Did not you tell him it was the clerk of a committee?—A. No, sir; not to the best of my knowledge I did not.

Q. Did you write to him and tell him that?—A. He probably asked me how I got it, and if I told him I got it from the clerk of a committee or any special committee, I told him that which was not true; I gave him an evasive answer.

Q. Then you did not get it from a clerk of a committee?—A. How is that?

Q. Then you did not get it from a clerk of a committee?—A. I do not know whether he is a clerk of a committee or not.

Q. What do you mean by saying if you told Donald he was a clerk of a committee and you told him what was not true? I did not understand you.—A. I mean to say I did not want to answer that question, and I never asked the gentleman what his occupation was when he gave it to me. I did not want to know.

Q. I understand you decline to state who it was, and you have no other reason except what you have stated?—A. I think not; no, sir.

By Mr. OATES:

Q. Do you belong to some secret order of society?—A. Yes, sir.

Q. Did the man who gave you the information belong to the same?—A. I think so.

Q. What order?—A. Knights of Pythias.

Q. Knights of Pythias?—A. Yes, sir.

Q. Was it a pledge between you and him, as to the obligation which you say was as sacred as the oath you have taken here, not to reveal it?—A. I regarded it as such; yes, sir.

Q. He gave it to you—A. So to speak, if you understand it, on the square, that nothing was to be said.

Q. Knights of Pythias on the square?—A. As I understand the meaning of that word, it was not to be revealed.

Q. That is Masonic?—A. I have been so informed.

Q. Is there any obligation that a member of the Knights of Pythias is under not to reveal anything that under any circumstances may be given by a brother of that order?—A. I think it would depend upon what the circumstances in the matter were.

Q. Is there anything in the obligation which will prevent him from revealing anything; any obligation you take as a member of that order which would prevent you from giving away a secret or any testimony? Is there anything in the obligation which you take which would cause you to retain a secret; otherwise that it would be a violation of anything in the order?—A. No. I want to give a correct answer to that question. Not so far as the order itself is concerned.

Q. But outside, a thing that does not pertain to the order, does it prevent you from speaking of anything you learn from a brother knight if it is not a secret order but an outside matter?—A. I think probably not, but the circumstances would have a great deal to do with that. I can not answer that question intelligently to you. I would be glad to do so, and it is not because I do not want to.

Q. Then your declination to tell who it was is based simply on these grounds, that you feel under obligations to the gentleman who gave you the information and the papers not to tell it?—A. No, that is not it. The way it was obtained and the way I got it was that I regard it, if I should divulge his name—that is not a pledge I gave him—that if I were not liable for it that I ought to be. That is what my conscience tells me about it.

By Mr. PAYNE:

Q. Criminally liable in the way you obtained it, you do not mean that?

The WITNESS. And for that reason I decline to answer the question.

Q. Will you not answer that question, whether you think you ought to be criminally liable for the way you obtained it?—A. No, I do not I think ought to be.

Q. Did you pay anything for it?—A. I did.

Q. Paid this man?—A. I paid him for it, anyway. There is no trouble about your getting the information.

Mr. OATES. Was he an employé of either of the Houses of Congress or any branch of the Government?

A. I think he is employed individually; I think he is invidually employed.

Q. You say what he furnished you was not the bill but a part of what the bill was to be?—A. So it was believed at that time to be.

By Mr. PAYNE:

Q. Was he a clerk of some member or Senator?—A. Oh, I decline to answer that. I will have to decline to answer that. You have asked too many questions about it already. If you want to get at the members' names you should ask the names of members, so I can give you the names, but you will not allow me to give you the names of the members.

Q. If you have had any individual dealings with any member of the House or employé of the Government or employé of either House, you shall, before I get through with you, give the names.

The WITNESS. But I was not allowed to give the names that Mr. Donald gave me.

Q. Because it was hearsay and we prefer to take that from Mr. Donald and not from you.—A. I think my word is as good as Mr. Donald's.

Q. That does not strengthen it, your swearing that Mr. Donald said so unless he testified to it.

Mr. OATES. I understand you to say the gentleman who furnished you the information was not in the employ of either House of Congress or a member of either House. I ask you whether he was an employé—there are a great many employés of the two Houses.

A. I do not think he was. I can not answer that positively, but I think he was simply a clerk to a member of one of the Houses, one of the two Houses.

By Mr. PAYNE:

Q. Was he a clerk to any member of the House, a member of the Committee on Banking and Currency, or Coinage, Weights, and Measures?—A. I do not know; I do not think he was. I do not know the names of the members on the Committee on Coinage, Weights, and Measures, that is, all of them.

Q. Well, not to spend too much time on that.—A. If you will pardon me for one moment, if you pass that question and strike out some of

those answers, I will endeavor to communicate with the man this afternoon and notify him that I want to answer that question and give his name and all the circumstances. If he does not answer me back I will answer independently of that and give you the name.

Q. Well, we will postpone it.—A. I will be very glad to answer with regard to his name if I can.

Q. We will pass on to the next telegram, which is dated the next day; but before coming to that, with regard to the last telegram, what is this about "12 hours."

Mr. OATES. Pardon me a moment, Mr. Payne (to the witness). If it touches the matter of the inquiry in any sense you can not legally shield yourself from answering the question unless you show to this committee that your answer would subject you to a prosecution. I say that for you to think about.

Mr. PAYNE. I understand under the statute he could not plead that.

Mr. ROWELL. The statute is as follows:

No testimony given by a witness before either House, or before any committee of either House of Congress, shall be used as evidence in any criminal proceeding against him in any court except in a prosecution for perjury committed in giving such testimony. But an official paper or record produced by him is not within the said privilege.

Mr. OATES. That does not require him to answer if his testimony would subject him to a criminal prosecution.

Mr. JOHNSON. Also testimony that would be relevant to the inquiry and not a collateral matter, and I regard this is not the inquiry before the committee at all, as I understand it.

Mr. PAYNE. The inquiry relates not only to members of Congress but also covers—the articles charges employes of the Government also.

Mr. OATES. If the person who gave this paper or information for a consideration was an employe of the House in any sense it would be entirely within the scope of our inquiry and he ought to be dealt with, and would be.

By Mr. PAYNE:

Q. Mr. Donald says he does not understand "12 hours," and I think we do not. Explain what that refers to.—A. That refers, I think, to 12 hours ahead of news that would come out in the papers, the result and status of legislation at the time.

Q. You mean you had informed him 12 hours in advance of the newspapers?—A. That I would endeavor—

Q. It was some future information you would endeavor to get?—A. Yes, sir; 12 hours in advance.

Q. What was the nature of that information as you communicated it to him?—A. Of the clause or portion of the bill as to the amount that the Secretary of the Treasury would be directed to buy and coin into silver dollars.

Q. Have you got a copy of your letter to him?—A. No, sir; I did not keep any.

Q. Now we will get to the 17th, the next day, when it appears you received this telegram:

Do not think anything would be gained from what you proposed, so do not spend anything.—D.

What does that refer to?—A. That referred to the employment of a man to make a canvass of the House and Senate.

Q. Well, was the canvass to see how they stood on the silver question?—A. To make a canvass to see how they stood on the silver question.

Q. You were proposing to employ some one for that purpose?—A. Yes, sir; outside of any general information I might pick up around the lobby, as the lobby seems to know more about Congress than Congress does, anyway.

Q. Did you mention a suitable person for such employment?—A. I forget whether I did or not; I do not remember.

Q. Had you opened up negotiations with anybody?—A. I can not remember that either, Mr. Payne.

Q. Can you state whether you had anyone in your mind as a suitable person?—A. I think I did.

Q. But you can not say whether you communicated the same to Donald or not?—A. I can not say.

Q. Did you ever talk with him about it?—A. I remember a man I had in mind.

Q. Did you ever employ anybody for that purpose?—A. Yes, sir.

Q. Then or afterwards?—A. I do not know whether I did afterwards or before, but it was very often I wanted to learn what was being done, and would pay some one to obtain this information the best they could and bring it to me. I always wanted the best information I could get and I paid for it, and that is what the checks were given at the bank for.

Q. Whom did you employ for that purpose?—A. I would like for you to pass that with the other questions; that would refer to the question I declined to answer awhile ago.

Q. Did you employ the same person who gave you this information?—A. No; I believe not.

Q. Then why not answer that now and get along with that and not leave the testimony open?—A. Repeat your question, please.

Q. You said you had employed some one to canvass members of the House.—A. No; I did not say I had done anything of the kind.

Q. Then what did I understand you; what did you say?—A. I said it was a proposition that I had written and asked him if he wanted something of the kind.

Q. I asked you after that if you did employ some one and you said you had?—A. If it was to make a canvass of the House I did not, but it was for information.

Q. Very well, for information; did you employ some one to obtain information? Did you do that at any time last year or during this present session of Congress?—A. Direct employment? To that I answer no.

Q. I do not mean this present short session. I mean of the whole of this term of the Fifty-first Congress, since the 1st of December, 1889?—A. I do not know how you define—

Q. You seemed to know how to answer 5 minutes ago. Suppose you put your mind on it again. Did you employ any person?—A. Not directly employ.

Q. Did you employ anybody indirectly?—A. I said I would pay for close information; I would like to have, and it was worth so much, and I would pay for that.

Q. You said that to some man?—A. Yes, sir.

Q. Now, who was that?—A. I think it was half a dozen.

Q. Well, give us the names of some of the half dozen as well as you can remember?—A. One was W. B. Weitman.

Q. When did you employ him?—A. I did not employ him.

Q. When did you tell him if he got information you would pay him for it. I should call that employing him; but if you do not choose to

go on and answer the question. When did you tell him that if he gave you information you would pay him for it?—A. I think it was——

Q. Does not your memoranda tell you?—A. No, sir; it does not. I think it was in May.

Q. What did you tell him?—A. That I wanted to get information.

Q. About what?—A. To know, so I might be able to frame an idea of what the nature of the clause in the silver bill would be, referring to the amount that the Secretary would be directed to buy and coin into silver dollars.

Q. What did you agree to give him for this information?—A. I do not remember the specific amount.

Q. It was a sum of money?—A. Yes, sir.

Q. Did he get it for you?—A. He did not.

Q. Did he get you any information?—A. No, nothing wrong.

Q. Well, any information; I did not say wrong?—A. Yes, sir; he told what he believed to be in the nature of information.

Q. What he believed to be in the nature of information?—A. What he believed to be.

Q. Did you pay him for it?—A. I did not.

Q. You never paid him anything?—A. No, sir.

Q. Well, who else did you have any arrangement of that kind or arrangement of any kind respecting getting information?—A. That is all, I believe.

Q. That is all of the half a dozen?—A. I said that I had in mind.

Q. This is the only man you can remember?—A. You mean at the present time, yes, sir.

Q. Did you pay any man for information?—A. Yes, sir; I paid one man for information, that is the gentleman I referred to a while ago.

Q. That is the only one?—A. Yes, sir.

Q. What did you mean by telling me a moment ago you drew this money from the Hanover Bank for the purpose of paying for that information?—A. I gave money in advance to try to get information.

Q. My question was broad enough to include that. Who did you pay in advance to try to get information?—A. Oh, I answered that question. I want to ask Mr. Johnson a question.

Q. Well, be as quick about it as you can [as the witness returns] Well?

The WITNESS. If you repeat the question I think I can answer it.

Q. What man did you pay in advance for the purpose of getting information?—A. I will withdraw that answer and say I did not pay that.

Q. Did not pay any money at all?—A. Not in advance for information.

Q. What do you mean by withdrawing an answer? Do you think you can answer a question from positive recollection one way and the next moment withdraw that answer and say you didn't do it? Is that your idea of telling the truth, the whole truth, and nothing but the truth? I do not understand you.—A. I am willing to state the circumstances of that and answer your question direct the next time, if you give me an opportunity to do that.

Q. Did you pay any money in advance or after the information was obtained in any way? Did you pay money for information or on the promise of information or the expectation of getting information from any person?—A. I paid a man by the name of J. L. Cunningham, of New York, a certain amount.

Q. How much?—A. I think \$100. I asked him if he would go to

Washington and learn for me the status of that clause in the bill referred to.

Q. What clause?—A. The silver clause; the clause in the silver bill referring to the purchase of silver, and he applied that to an old debt.

Q. He had an old obligation of yours?—A. Yes, sir.

Q. And you said you would pay part if he would go?—A. I said I could afford to do that.

Q. You could afford to pay part of that?—A. No, sir; I could afford to pay it.

Q. Was that all you owed him, \$100?—A. No, sir.

Q. How much more?—A. What was your question?

Q. You said you would pay it on an old obligation?—A. He and I had a stock trade and had lost, and I was to make up part of it.

Q. How much did you owe him?—A. I do not remember.

Q. More than \$100?—A. Yes, sir.

Q. And you said you would pay \$100 on your old indebtedness if he would come to Washington and get this information?—A. Yes, sir.

Q. Where is Cunningham, where can he be found?—A. I do not know where he is.

Q. How long since you saw him?—A. In the neighborhood of six months.

Q. Where was he then?—A. In Jersey City, N. J.

Q. Since then you do not know where he is?—A. No, sir.

Q. Where did he live when you last knew his place of residence?—A. New Jersey.

Q. Whereabouts in New Jersey did he live?—A. Patterson, New Jersey.

Q. What is his business?—A. He is in the bond and brokerage business, and is a promoter, and his office is 102 Chambers street, New York.

Q. This year?—A. This year for all I know. Senator Jones knows him very well.

Q. Do you know anybody else you paid for promised information?—A. No, sir.

Q. So Mr. Cunningham is the only one of the half a dozen you thought there were a few minutes ago?—A. Mr. Cunningham is the only one, yes, sir. I said I had a talk with a half a dozen.

Q. Well, the reporter took it down, I do not want to misrepresent you certainly. Donald does not seem to have fallen in with that idea of making any canvass of the House.—A. What is that?

Q. He says, "I do not think anything would be gained by what you propose; so do not spend anything." That was the end of that canvass of the House, or did you attempt it afterwards?—A. I think I made some inquiries myself as to the question.

Q. Did you make inquiries of members yourself, making a canvass, or did you make inquiries generally?—A. I made inquiries generally.

Q. Not a canvass. Here is a telegram of June the 18th, signed D, dated New York, to James A. Ownbey, 1531 I street Washington, northwest: "Letter received; have telegraphed Mr. Bradley to pay \$125." Is Mr. Bradley connected with this Bank of the Republic?—A. He is cashier of the bank; yes, sir.

Q. You wanted to get money from Donald?—A. I wanted Mr. Bradley to honor my check on the Hanover National Bank for \$125.

Q. And Bradley did not want to do it?—A. I did not ask. I simply went in and left the check and I think I paid for the telegram and answer.

Q. What was the purport of your letter to Donald ?—A. I simply telegraphed I wanted \$125.

Q. In this case he says :

Letter received ; have telegraphed Mr. Bradley to pay \$125.

A. I do not remember the letter.

Q. And that was paid ?—A. Yes, sir.

Q. For what purpose was that paid ?—A. I do not remember that either, now.

Q. Do not know whether that was to pay anybody or not ?—A. No ; I can not remember.

Q. By the way, this \$100 you paid to Cunningham, did you get that from Donald ?—A. I do not remember ; I think I did.

Q. Did Cunningham come over here and do anything ?—A. He did not.

Q. So that was a dead loss so far as Donald was concerned ?—A. Yes, sir.

Q. Did you borrow any money of Donald ?—A. Yes, sir.

Q. How much ?—A. I do not remember now. I borrowed some money and gave him my note for it. I think it was \$300 or \$350.

Q. Was it \$250 ?—A. No, sir ; it was \$300 as I remember, but I am not positive as to the amount.

Q. You borrowed \$300 ?—A. I borrowed some money, I do not remember the exact amount.

Q. He says \$250, probably one or the other is mistaken in regard to that ?—A. I am not positive of that now.

Q. That was to put you in funds ?—A. For personal use.

Q. Where ?—A. For my personal expenses.

Q. When was that borrowed ?—A. I do not remember the date. It was during the time I gave you. Well, regarding the telegrams he sent, I am not positive about that.

Q. And that money you deposited here, or did you deposit that ?—A. I deposited some of it—I forget whether I did or not. I think I only deposited—to the best of my recollection I did not deposit any of that money here.

Q. What became of that note ?—A. He has it yet.

Q. It has never been settled up ?—A. No, sir.

Q. He never surrendered that note ?—A. No, sir ; and never has paid me anything on the silver deal either.

Q. I guess that is so. He never has surrendered that note to you ?—A. No, sir.

Q. You are positive about that ?—A. Yes, sir ; I think I am.

Q. Now, this money, as I understand, for which you gave your note, was to be used in the expenses with reference to this silver deal ?—A. You are a little fast for me, repeat that again.

Q. This money you borrowed of Donald on a note ?—A. Yes, sir.

Q. That was to be used with reference to your expenses on the silver deal ?—A. No, sir ; for personal and family use.

Q. For your personal use ; that is it was for personal transactions ?—A. Yes, sir.

Q. And it had no reference to employment here, to your mutual deal ?—A. It was simply for my personal use.

Q. That you owe him that money yet ?—A. Yes, sir ; he owes me money on the silver, too.

Q. Of course I take that in connection with the other. I believe that is all the telegrams—hold on, here is a letter dated December 21, 1889,

I should think that was December the 22d; can you tell that?—A. I think it is the 21st.

Q. The letter is as follows:

FRIEND OWNBEY: Yours of yesterday received and the Republic is wired. I will be glad to see you when you come over.

Yours, truly,

D.

The Republic was the bank of the Republic?—A. It refers to the bank of the Republic.

Q. What was he wiring them for?—A. I guess it was in regard to a check I wanted them to cash on his bank. I do not guess anything about it; I know it.

Q. Did you get the money from the Bank of the Republic at that time?—A. I think I did; I know I did.

Q. Are you able to say whether this money went into this note you afterwards gave?—A. I do not.

Q. When did you give that note?—A. I can not give the date of the note.

Q. What did you receive for the note; how did you receive the money on the note?—A. I forget whether he gave me a check or whether he drew himself the cash and had the bills brought in. I came out of the bank with the currency, as I remember.

Q. You came out of the Hanover bank with the currency?—A. As I remember.

Q. You came out of the Hanover bank with the currency?—A. Yes, sir; whether he drew the check to his order, I do not remember.

Q. I believe you say you were in New York after this. He says, "I will be glad to see you when you come over."—A. Yes, sir.

Q. Now, this typewriter copy, you say this is a cipher?—A. Yes, sir.

Q. When you telegraphed "Cumberland," that meant, bill killed for this season?—A. You will have to let me read that.

Q. Just read it and explain it.—A. "Cumberland" means—this is his language—bill killed for this session. It should be session in place of season. I think it is intended for session as well as I remember. He made it up.

Q. But it says there, season.—A. Yes, sir. "Pennsylvania" means, bill postponed for this week, delayed for this week. "New York" means, House bill passed with new certificates as legal tender. That means that silver was a legal tender for all debts, dues, and demands. "New Jersey" means, House bill passed, the certificates to be bullion value. That means certificates issued by the Treasury Department would represent, as I understand it, what an ounce of bullion would be worth on the market. "Connecticut" means, conference committee disagrees. That means if the bill went into conference between the House and Senate the conference committee disagrees.

Q. That is the whole of it?—A. Yes, sir; that is the whole of it.

Q. Who got this up?—A. Mr. Donald did.

Q. At whose suggestion?—A. Donald suggested it; I forget now, but it was acceptable to both.

Q. Who had the typewriting business done?—A. I can not remember whether I had that done or Mr. Donald, but he wrote it out in his handwriting first, and it was not plain enough and it was put on the typewriter.

Q. Where was it done?—A. I am not positive, but I think it was done on the typewriter in the Hanover Bank. I think this is bank paper; probably I could tell by looking at it [holding up paper and

looking at the watermark]. I am not positive about that; I can not give you a direct answer on that.

Q. You can not tell whether Donald was present when this typewriting business was done?—A. I can not answer that specifically, but I think he was, though. He framed it; it is his own language and his original cipher.

Q. I believe, Mr. Ownbey, I have asked you about all the papers that you have presented the committee as coming from Donald. You do not think of any others?—A. That is all I have here; that is all I think of; yes, sir.

Q. Is that all you have in Washington?—A. Yes, sir.

Q. Now, of course you have had great many other communications?—A. Verbal conversations.

Q. Written communications, did you not?—A. I have had some others, but I can not remember how many. I think, to the best of my knowledge, there are some others.

Q. Do you think those are in your trunk?—A. I am not positive, as I have not had time to look through them.

Q. You mentioned yesterday some books that had been burnt.—A. Yes, sir.

Q. When were they burned?—A. About the 1st of last month, of last January; about the 1st or 2d.

Q. Where were they burned?—A. I burned them in the hotel Riche-lieu; I think it was there.

Q. You burned them?—A. Yes, sir; I burned them. I want to state these papers and books I referred to yesterday were simply the diaries—

Q. But these which were burned were books and papers.—A. Possibly little diaries, something like this [exhibiting one]. There might be a memorandum on one page, and a half a dozen different things, and I transferred them as I could to others, except personal and family matters.

Q. How about letters and other papers burned?—A. Oh, I say I burned some letters.

Q. I understood you to say just now—if I am mistaken you can correct me.—A. I said papers; I am not positive about letters.

Q. Well, papers.—A. They were personal papers; they were papers that would not bear on the subject at all.

Q. Nothing was burned relating to this subject?—A. As far as Mr. Donald was concerned; no, sir.

Q. Those burned were about something else and the other books were sent to the safety deposit company?—A. I think they were. At the time I made my contract with my firm to go to work for them I had a lot of memoranda, duebills, and stuff that related to my personal matters, and other things I did not want anybody to see; they were private and personal, and I destroyed them, and possibly I destroyed a good many as I have referred to. I do not want to be understood as destroying anything that referred to the silver pool. If I did it was some memoranda in a book where there were other things that referred to my personal and family matters; private matters.

Q. Are any dates in that memorandum book you have there?—A. Probably, I am not positive.

Q. Just look and see what is the first date which you notice there?—A. April the 22d, 1890.

Q. Just notice what the last date is.—A. That date of April the 22d, 1890, referred to some—

Q. Transactions?—A. No, not in regard to silver.

Q. Well, in regard to any transaction or some occurrence?—A. This was in regard to an occurrence, to the day I bought this book, you can see, Mr. Chairman.

Q. When was the next date there?—A. It seems that is about the only date I have there. I generally write such things down in my own way so I will understand them and nobody else will.

Q. I suppose you bought the book when you needed it and put the date in it?—A. Yes, sir; that is about the size of it.

Q. And commenced using it right along?—A. No, sir; I bought two or three books.

Q. How many?—A. Probably bought two or three or four at a time. If I came to Washington I only needed one book.

Q. If I understand you aright, your method of doing business—A. I had no specific method.

Q. You had one book relating to silver transactions?—A. You misunderstand me.

Q. Can you tell about the last day in that book?—A. If you give me time. You see, it is in alphabetical order.

Q. Well, I will not bother you to wait any longer about that. Do I understand you now that you had two or three books running along at a time and used them alternately and indiscriminately in your business?—A. Let me hear that question again.

Q. That you had two or three memorandum books you used alternately and indiscriminately, but all still running at the same time; for instance, about April or May you had this book and one or two others in which you made memorandum; is that true?—A. Yes, sir; I think it is.

Q. Is that so?—A. I can not say.

Q. Was that so during the whole year?—A. Yes, sir; during every year.

Q. What do you mean by telling me this morning while you had two or three books you used during 1890, you only used one at a time?—A. I could not write in two books at a time.

Q. Well, during the same period of time and that this book covered the last three months of 1890, what do you mean by that?—A. I said I thought it did; didn't I? Let me hear your statement; make it plain, and I will give you all you want of it.

Q. Do not you understand me now?—A. No, sir; I do not.

Q. Well, I will try to make it plain, of course. What did you mean by telling me this morning that you had two or three memorandum books which you used in 1890, and you used them one at a time, and this covered the period of the last two or three months of 1890?—A. That this covered, that it referred to certain subjects and some matters that I was probably interested in; for instance, I got a letter about an old matter and I had a book with a memorandum made in it, and I went and hunted up that little book, and made the reference to that in it and that this was the one I carried with me regularly, and the book, I tried to say, referred to matters that were already entered on that little book. I generally try to find the book, and went and hunted it up and made a reference.

Q. But this book you used generally through the last 3 months of 1890?—A. Yes, sir; that I used generally in 1890, and used them all generally.

Q. Now you say you commenced along in April or May to use this book?—A. No, sir.

Q. Then you refer to transactions prior to May?—A. No, sir; only in this book.

Q. That was in April. This you believe refers to transactions in the fore part of May?—A. I have not the date here. Where May was mentioned I did not look to see what the reference was. I can tell you all about that probably if you give me an opportunity to look at it.

Q. Are you right sure you had no other books in 1890, except the one you hold in your hands now, that you used for memoranda?—A. Yes, sir.

Q. Are you positive about that?—A. Yes, sir.

Q. And those books are in Chicago, and you will send for them?—A. Yes, sir; I think so.

Q. Now, to go back Mr. Donald. Did he afterwards tell you that he and parties interested with him had bought silver?—A. He said, the next conversation I had with him, that it was all right. I took it for granted that that was all right after I had this talk.

Q. Was that all he said about buying silver?—A. No, sir; I went in again——

Q. I do not know that I asked you about this memorandum you produced here. I think I will. In the first place this letter purports to come from H. B. Parsons. He is the Parsons of the Wells, Fargo & Co. Express Company?—A. Yes, sir.

Q. I will read it to you. "63 Broadway, New York, November 28,"—the year is not here. Do you know what year that was?—A. This last year.

Q. 1890? "My dear Mr. Stevens, Governor Shepherd's friend and associate has just returned from Batopilas—where is that?—A. In Mexico, as I understand it.

Q. New Mexico?—A. No; Mexico, I said.

Q. "He reports that the aqueduct is nearly done, and that by February it will be able to carry water for mining and milling purposes;" what does he refer to there?—A. Silver mines.

Q. "He says all things at the mine are certain by 1892, and the company will be free from debt and be paying regular dividends on its stock. They have the ore there, and the machinery, and only want the water, which they will soon have. It is quite likely that I may go into that Batopilas board. Have you heard anything recently from Mr. Fowler?" Who is Fowler?—A. A gentlemen in New York.

Q. "Yours, truly, H. B. Parsons. J. A. Ownbey, esquire." I should gather from that that Mr. Parsons owned some stock in this mining company?—A. I do not know he owns any stock, but Wells, Fargo & Company are the financial agents of the company.

Q. What do you mean, that they sell their silver?—A. That they are the financial agents of the company.

Q. Did you want to say something about that?—A. I simply wanted to show, as Mr. Parsons spoke unkindly of me here, and I want the reporters and the committee to understand that I had a different standing with him then than what I have since this silver matter came out. I do not want to be smirched without showing him up.

Q. That is the reason you present this letter?—A. Yes, sir; to justify my association with him.

Q. Now, here is the card?—A. I would like to explain that letter to the committee.

Q. The letter—Oh, well, go on.—A. This is a letter of Mr. Parsons, of the firm of Wells, Fargo & Company, to myself and he wanted me to induce Mr. Fowler to buy some bonds of this company. When I

was there I went to see Mr. Fowler about it, and after I came here Parsons became anxious and wanted me to write Mr. Fowler a letter and insisted on my meeting this gentleman and closing up and making the purchase in this way, and inclosed that envelope and that card for Mr. Fowler to present to Mr. Stevens. He wanted to use me in that respect.

Q. He wanted to employ you to sell the bonds of this company?—A. He wanted to secure my services and understanding with Mr. Fowler to get me to present——

Q. He wanted to avail himself of your relations with Mr. Fowler?—A. So Mr. Stevens could——

Q. And employed you in that relation to sell the bonds of this mining company to Mr. Fowler?—A. Yes, sir.

Q. That is the reason you wrote that letter?—A. Yes, sir.

Q. And at the same time he sent you his card or gave you his card, which says:

My dear Mr. Stevens: Please tell Mr. Fowler all about that Batapilas. Yours, Parsons.

This is dated 12-1-90. That means December the 1st, 1890?—A. Yes, sir. It came in this letter.

Q. On the other side of the card is "Presenting Mr. C. E. Fowler. Mr. W. B. Parsons." You say that was inclosed in this envelope.—A. Yes, sir.

Q. "Presenting Mr. C. E. Fowler to L. A. Stevens' Batapilas Mining Company, fourth floor, Mills Building, New York." This is a card of introduction of Mr. Fowler to Mr. Stevens. Where do you come in?—

A. Mr. Parsons wanted me to present that letter along with a letter from myself or to go myself, personally, as I take it for granted, with Mr. Fowler to meet Mr. Stevens, who would say good things for the bonds and speak well of the mining company and induce Mr. Fowler to purchase the bonds.

Q. He wanted you to go with Mr. Fowler?—A. In other words, he did not want to talk with Fowler himself, but wanted me to go on account of what he believed to be my relations to Fowler.

Q. It appears this card is dated the 1st of December, 1890, and the letter to you is dated on the 20th of November, 1890; how do you account for that discrepancy?—A. Probably he wrote the letter and let it lie a few days.

Q. And that is the only explanation you can give of it. Did you go with Mr. Fowler to Mr. Stevens?—A. No, sir; I never wrote to Mr. Fowler about it at all.

Q. You never did anything?—A. No, sir; I did not.

Q. So that fell through?—A. It did not fall through; it was not up to fall through. There was no attention paid to the matter.

Q. So you repudiate the thing on the start?—A. I paid it no attention. I was not in a position to give it any attention.

Q. You were too busy otherwise and did not know whether Mr. Fowler got the bonds or not?—A. No, sir, and did not care.

Q. I have shown you now, and they have been read here, all the letters and telegrams from which you say you made these memoranda this morning and also to which you have testified?—A. Yes, sir.

Q. Is there anything in those letters or telegrams that gives you any hint of anything you have put in those memoranda?—A. I did not get your question exactly.

Q. Is there anything, any suggestion, in these letters or telegrams

that gives you any hint to what you testified to from those memoranda?—A. I think so.

Q. If so, what is it?—A. You have my testimony read and I will try to explain it.

Q. But is there any connection between these telegrams and your memoranda and your evidence which you have given here this morning; evidence from the memoranda which you presented?—A. Which I presented? I did not present any.

Q. When you referred to, then?—A. Yes, sir.

Q. What connection is there?—A. The connection of Mr. Donald's name and my association with him.

Q. You could remember Mr. Donald's name without a memorandum, could you not?—A. Yes, sir.

Q. What connection is there—what suggestion is there?—A. I simply wanted to refer to Mr. Donald and Mr. Parsons in that letter, and when you referred to one or two things in the course of your questioning for me to be able to refer to that and explain.

Q. But these letters do not refer to other names?—A. It refers to the name of Donald.

Q. But you did not make a memoranda of Donald's and Parsons's names so as to remember them, did you.—A. No; but I wrote them down.

Q. Look at the memoranda and see if you did.—A. I do not know but I tore it up.

Q. No; I guess you have got it right there.—A. I will read it for you if you wish.

Q. I was going to ask you to show it to me when you got it. Our minds seem to run in the same direction in that matter. Will you let me look at it?—A. No, I rather not, but you can look at it if you think it will gratify your ambition. I wrote it hurriedly, standing up, and I doubt very much whether you can read it.

Q. I think I can [looking at memorandum], "February 12, 1891, Donald."—A. Is that dated 1891?

Q. Well, sir; it is a fair question as to whether it is 1890 or 1891, and I will call it 1890 if it will suit you better.—A. Very well.

Q. "Donald, check in June and July." Let me take the other one [witness handing it].—A. I did not write them for you to read, you will understand.

Q. I do not suppose you did. Does that refer to any name you have presented here to the committee or any names you have given this morning?—A. Repeat your question, please.

Q. Does that refer to any names you have stated in your evidence this morning as it was given?—A. I have not given the names. You have not allowed me to give them to you, because the committee does not want me to give them.

Q. I understood that you refreshed your recollection from that memorandum in regard to names which you had already given.—A. Well, you are liable to understand me wrong.

Q. Did you have any further conversation with Donald in reference to this silver speculation or purchase or sale of silver?—A. Yes, sir.

Q. When was that?—A. Now, I am answering that question; if you will ask him (the stenographer) to refer back to his minutes when you left off your examination about Mr. Donald—

Q. I left off with this—A. Never mind about that.

Q. I can refresh your recollection—A. I would rather take the chances of referring to the stenographer's notes.

Q. You just answer my question and you will not have anything to fear from that. You have spoken of a verbal agreement between you and Donald and modifications of that agreement and also that he was or a party was to purchase some silver, and you were to have a share in it, and you have told me that he told you the thing was all right. You got down to that point. Then you stated subsequently you had some conversation in which he told you about the purchase of this silver?—A. Yes, sir.

Q. Now, beginning from that point where he told you it was all right, tell us what he told you about the purchase of that silver.—A. When I came in and asked him——

Q. At the same time I want you to observe the rule of not bringing in the names of other parties.—A. I am coming to a point where, in order to give evidence, I have to give the names, and I can not make myself plain without doing so, and I want to give the committee the full benefit of it.

Q. When was the next conversation?—A. I can not give this——

Q. What was it about?—A. About silver and parties in it.

Q. Did he tell you that any silver had been purchased?—A. He did.

Q. Did he tell you the amount?—A. He did not give me exactly the amount.

Q. Did he give you any idea of the amount?—A. He did.

Q. About what was that?—A. About 6,000,000 ounces that he had some knowledge of.

Q. Who did he say, or did he say through whom it was purchased?—A. I think he referred to half a dozen different purchasers.

Q. Half a dozen business houses?—A. Probably that; I do not want to say that positively, but about a half a dozen.

Q. About half a dozen?—A. No, say more than one.

Q. By half a dozen we will understand you mean more than one. Now tell us the name of the houses through whom the silver had been purchased.—A. I gave them awhile ago, I think.

Q. These same houses?—A. Yes, sir.

Q. You can repeat them, it will not take much time.—A. You will understand I do not know about the purchases and he did not say—he gave the names of persons or brokers who purchased only in the case of Zimmerman & Forshay and Carson & Simonds.

Q. What houses did he name?—A. The Chase National Bank, the Fourth National Bank, August Belmont & Company, Zimmerman & Forshay, and Carson, Simonds & Company.

Q. Did he tell you these persons were all interested or these concerns were all interested in the purchase and sale of silver?—A. No, sir; he said they were interested in the purchase of it. He did not say they were interested in selling; he said in the purchase of silver.

Q. Did he say who they were purchasing silver for?—A. How is that?

Q. Did he say who they were purchasing silver for, the Chase National Bank and Fourth National Bank, and these others?—A. I believe he did, so far as I know. I did not go into the details of it.

Q. Did he say they were purchasing silver for any Representative in Congress?—A. He said he understood they were, but I am not positive on that point.

Q. You are not positive on what part?—A. As to his exact language, as to his naming any Representative, that he knew who they were purchasing for. I think he said he knew they were purchasing for Mr. Ketcham, of New York——

Q. Are you positive whether he mentioned any Representative, or whether he so understood, or what is it you are not positive about?—

A. As to the number of them.

Mr. OATES (to Mr. Payne). I think he mentioned Mr. Ketcham's name just now.

By Mr. PAYNE:

Q. Then you have mentioned the name of Mr. Ketcham?—A. I believe I did, sir.

Q. You say Donald told you that Mr. Ketcham, of New York, had purchased any silver?—A. I do.

Q. Where did he tell you that?—A. In the national bank there, the Hanover National Bank.

Q. When?—A. I can not give the exact date but it was the time we were talking over the silver matter. If you just let me give the names of these gentlemen and explain my conversation I will make it plain.

Q. It would be a sort of outrage to let you give the names of those gentlemen and I do not intend you shall do it.—A. Then you do not intend to give me a chance to testify straightforward?

Q. I want you to testify to the truth of everything you know but I do not propose you shall testify to what you heard anybody else say and you shall not bring in the name of any respectable man if I can help it. Now you have given the name of Mr. Ketcham. I want to know when it was Mr. Donald told you that?—A. At the time, during the conversation with him referring to the Chase National Bank, and to Zimmerman and Forshay, and those others.

Q. About when was it?—A. I can not place the date exactly but it was some time between, to the best of my recollection, the 1st of May and the 15th of May. I will say from the 1st of May to the middle of June.

Q. Did he say Mr. Ketcham had purchased silver through him or his bank?—A. No, sir; he did not. He simply said he understood he was purchasing it.

Q. Did he claim to have any personal knowledge that Mr. Ketcham was purchasing silver?—A. I so understood him.

Q. That he knew it personally?—A. Yes, sir; I so understood him.

Q. Was it as early as the 15th when he told you these purchases of silver had been made?—A. I said between that time and possibly the 15th of June, but I can not give you the exact dates.

Q. Was it as early as the 15th of June?—A. I will not be positive; it was during the time that the silver legislation was pending.

Q. Did he tell you at any other time of the purchase of silver?—A. Yes, sir.

Q. When?—A. At different times; along about the time that the bill passed and was in conference; I do not remember what month that was.

Q. Did he tell you how much was purchased?—A. Yes; about six million.

Q. Was that the entire sum he told you had been purchased?—A. Yes, sir. I would like to mention I understood that they and their associates had purchased about that amount as near as he could figure it.

Q. Did he tell you whether any of them was a purchaser on his, Donald's, account?—A. He said they had, that is, the parties purchasing it, got into a wrangle among themselves and he concluded to go out of it that way and therefore I could not expect to make anything.

Q. Therefore he told you he had purchased none of it?—A. Yes, sir.

Q. That he was not in but the other parties had bought it?—A. Yes, sir; he took that method of repudiating my interest.

Q. So he told you he never had purchased any?—A. Yes, sir; that after the price had gone up to one-seventeenth they had sold, dumped it on the market, so to speak.

Q. And you expected profit on a million ounces?—A. I did not say anything of the kind.

Q. Well, how many ounces?—A. I told him I would be satisfied with a profit on 245,000 ounces.

Q. And you figured your profit at 20 cents an ounce?—A. I figured up my profit, I thought the expenses and everything and time included, would net me probably 15 cents an ounce. I just made a rough estimate; I do not know I figured it up entirely; I forget now.

Q. You expected \$35,000 or \$40,000 profit?—A. I did.

Q. You never have received a dollar of it?—A. Not a dollar.

Q. Did not even settle up your prospective share in the profits for the note he held against you?—A. How is that?

Q. You did not even settle up your prospective share in the profits for this note?—A. I had no profits in the note. The money was loaned to me on the note until after I received my profits in the silver deal.

Q. You never received the note back, nor settled up for that, or received the note back?—A. No, sir; I did not.

Q. He is mistaken about that?—A. To the best of my knowledge.

Q. You know, do you not?—A. I never received any note from him back.

Q. He says he settled up for all the information you gave by giving you back this note and canceling that?—A. No, sir; I have never seen the note since I gave it to him.

Q. I am mistaken about that part of it, as I see by reference, but he says the contract was he was to pay you \$250 for your services and he paid you in full?—A. How is that?

Q. He says the contract was for services in getting information and you were to receive \$250, and he paid you \$250 in full and settled up with you.—A. There was no such contract.

Q. And no such payment?—A. He has paid me over \$250.

Q. Did he pay you \$250 in settlement of what he owed you?—A. No, sir.

Q. Nothing of the kind occurred?—A. No, sir; nothing in the way of settlement in full.

Q. Did you get any information from any other party than Donald that members of either House of Congress were interested in silver?—A. I did.

Q. From what other party?—A. Mr. Littler, I believe.

Q. David T. Littler?—A. Yes, sir.

Q. When did you have a conversation with him?—A. I can not remember the date.

Q. Well, about when?—A. Well at the time silver sales, I remember, were quoted at 101, but I can not recollect the date. It was some time during the summer.

Q. Did he tell you that more than one member of either House was interested in the purchase of silver?—A. Do you refer to a Senatorial party spoken of there?

Q. Did he refer to more than one Senator or Member of Congress? You can answer that question?—A. He referred to a party of gentlemen, which I understood to be a number of them.

Q. He referred to a number of Senators or Representatives?—A. He

referred to a party of gentlemen whom I understood to be a number of them. I will give you the names now. I can not give any testimony without giving the names.

Q. You are getting along swimmingly without giving the names and you can continue to do so. Do you say he mentioned names?—A. I mentioned names and he assented to it.

Q. You say you mentioned names and he assented to it?—A. Yes, sir.

Q. When he assented to it what did you say?—A. He said to me——

Q. Never mind about what——A. Well, I can not answer your question.

Q. I think you can.—A. I think it would be impossible to do it intelligently.

Q. Then we will have it unintelligently.

The WITNESS. I appeal to the chairman of the committee; should I go further in justice to myself and fair play? Let me appeal for fair play. It is nothing more than fair for me to be allowed to mention names.

Q. Have you any personal knowledge, any knowledge of your own, of any member or Senator dealing in silver outside of what you have been informed?—A. Nothing only what I referred to in my testimony where the correspondence I spoke of yesterday evening was shown me by Donald.

Q. That would not be personal knowledge, would it?—A. You can judge of that.

Q. You have nothing more than that?—A. Nothing at all.

Q. Have you any information from any member or Senator, or did anyone tell you about his dealing in silver; I mean any member or Senator tell you about his own dealing in silver?—A. Personally?

Q. Yes.—A. No, sir.

Q. So that all the knowledge you have is from what you heard other people say?—A. Yes, sir; and seeing accounts and books.

Q. Did any member or Senator in your presence say anything to you about his own dealing in silver?—A. I do not remember positively; no, sir; not that he was interested, as I understood. He did not say he was interested in the pool; no, sir.

Q. Did any of them write you or did you see any letter signed by any member of Congress or Senator stating that they were interested in silver transactions?—A. I have seen these letters Mr. Donald said were from a Senator.

Q. You did not see them yourself to see whether they were signed by a Senator or not?—A. I saw them, but I did not look at the signature.

Q. Aside from that did you see a letter or correspondence of any kind from a Senator or member of the House regarding his own dealings in silver?—A. How is that?

Q. Aside from what you saw in Mr. Donald's hand in that conversation with him, did you see any letter or written communication signed or purporting to be signed by any Senator or any Representative referring to his own dealings in silver?—A. I did not.

Q. So that all the information you have and all the knowledge you have is what you are informed by others?—A. And by the books.

Q. You have spoken of information given you by Donald?—A. Yes, sir.

Q. And now you said you had conversations with Littler, what did you mentioned the names of this and that Senator or Representative as dealing in silver?—A. Yes, sir.

Q And when you mentioned those names to Mr. Littler, what did he reply?—A. He said, "I guess you are right," or "you are right," I do not know which it was.

Q. He said, "I guess you are right," or "you are right?"—A. Yes, sir.

Q. Did you mention a number of names?—A. I do not know whether I referred to a number of men—yes, I referred to three or four different names.

Q. You mentioned three or four different names?—A. To the best of my recollection; yes, sir.

Q. Did you have more than one conversation with Mr. Littler on that subject?—A. I do not think it was over two or three of any length and possibly not over one that referred to this particular subject.

Q. And was the conversation similar in each case?—A. Bearing on the same subject.

Q. Did he mention any names himself?—A. I think he did; yes, sir.

Q. Did he mention the name of any Senator or Representative and say they had bought silver?—A. To the best of my recollection he did.

Q. More than one?—A. I do not think he said they bought silver, but I think he said they were interested with him and others; interested with him, or words to that effect. I can not give the exact language.

Q. Did he mention more than one?—A. I am not positive as to that. Now, I will have to stop there unless I can give my testimony right. I insist——

Q. You seem to be getting along all right.

The CHAIRMAN. Everything is going right now, Mr. Ownbey.

Mr. PEEL. I want to say this to you. You do not seem to catch fully the theory of evidence about this matter. Hearsay evidence is not proper to be admitted. Now any name that you heard other men speak about, the committee will call on the men who know the facts and will not take hearsay evidence, because that was given you not under oath, and you are repeating what somebody said who was not sworn.

The WITNESS. If the committee will ask me direct questions I will endeavor to answer.

Mr. PEEL. We do not want to screen anybody, but we do not want to have evidence come in here purporting to be evidence when it was a declaration of a man who has not been sworn in the case at all. If you give us the name of a man who knows that a Senator or Representative dealt in this matter of silver we will call him and make him answer.

The CHAIRMAN. In other words, we will administer the oath to him.

The WITNESS. What was the last question?

By Mr. PAYNE:

Q. You answered the last question.—A. But I want to know what the last question was.

Q. You said Mr. Littler had told you——A. I said to the best of my recollection.

Q. I asked you if he had mentioned the name of some one and I think you answered that you thought not.—A. Yes, sir; I think not.

Q. Well, that answers that question. Now does that cover substantially the conversation between you and Littler on the subject, leaving out the names?—A. Yes, sir; I think so.

Q. Is there anything else you recollect in regard to it, leaving out the name?—A. That covers the substance of it.

Q. You think there is nothing else, then?—A. Yes, sir.

Q. This is David T. Littler, of Springfield, Ill.?—A. I was introduced

to him by Senator Cullom, and understood his name to be David T. Littler; and I think I saw his name signed to contracts as David T. Littler.

Q. Aside from Donald and Littler, have you any information from any other persons in regard to Members or Senators purchasing or dealing in silver?—A. Well, I think I have had information from 500 persons on hearsay, not documentary evidence.

Q. Five hundred?—A. When I say 500 I mean——

Q. Never mind going into so large a number. Can you recollect the name of any other person who told you either a Senator or Representative in Congress was interested in silver?—A. Made a specific statement to that effect.

Q. What is that?—A. Made a specific statement to that effect?

Q. Or in substance to that effect?—A. In substance. If I understand your question I would say, yes; but I do not understand your question.

Q. Well give us the name of the person who told you.—A. It was Mr. Hawes, of the Hanover National Bank, and J. L. Cunningham.

Q. What is Mr. Hawes's first name?—A. They call him "Billy" Hawes, he is assistant cashier of the Hanover National Bank. There were names mentioned, but I can not remember how many.

Q. This man you mentioned is assistant cashier of the Hanover National Bank of New York?—A. Yes, sir.

Q. That identifies him. You had a conversation with Hawes?—A. Yes, sir.

Q. Did he mention the name of a Senator or Representative?—A. Yes, sir; the names have been mentioned.

Q. Now leaving out the names, what did he say in reference to their purchase of silver or being interested in the purchase of silver?—A. That they were interested; I think that would be my proper answer to that. I think he stated that, but I do not think he mentioned any specific amounts, but mentioned the names in a general way.

Q. He mentioned the names and said they were interested in what?—A. In the purchase of silver and certificates or bullion or whatever it is.

Q. How many did he mention to you?—A. I do not remember.

Q. When was this he told you this?—A. About the same time I talked with Mr. Donald.

Q. In May or July?—A. Somewhere along there.

Q. Where was this conversation?—A. I had more than one conversation with him.

Q. Where were they?—A. That was in front of the Shoreham Hotel down here on the corner of Fifteenth and H streets and from there down to Wormley's Hotel and then afterwards in New York; possibly in New York we talked about it.

Q. How many conversations did you have?—A. I do not remember the number, Mr. Payne.

Q. Did he tell you anything further in these conversations than that these gentlemen were interested in the purchase of silver?—A. That is all, I think.

Q. He did not tell you the amount or anything of the kind?—A. No, sir, I only talked with Mr. Donald about the amounts.

Q. Did you receive any further information from Mr. Hawes than what you have stated?—A. I think not.

Q. You spoke of a Mr. Cunningham, that is the same man from Paterson, N. J.?—A. Yes, sir.

Q. Did he tell you that any Senator or Representative was interested in the purchase of silver?—A. He did, but his exact language I can not recollect.

Q. Did he name anyone?—A. I think he did.

Q. Are you positive about that?—A. He did not name any one he knew himself purchased——

Q. He did not claim to have any personal knowledge?—A. No personal; no positive personal knowledge.

Q. But he had heard so?—A. No, that he understood; that he knew from extraneous facts or something of that kind.

Q. Did he tell you who he knew it from?—A. I do not think he did. I can tell you whom he gave the impression he got it from, but as to whether he said so positively, I can not say.

Q. I guess we had better get that from him if we get it at all. Now, was there anybody else you received information from?—A. Nothing that would cover any more ground than what I have already told you.

Q. Can you mention any other person that you received such information from that any Senator or Representative was interested in the purchase of silver?—A. I will answer that, no.

Q. Did you have any other source of information on that question than what you have already stated in your evidence?—A. Will that include the remark I made about where I got the information about the bill?

Q. I am confining you to the purchase of silver, not about what information you got about the progress of the bill; have you any source of information on that subject, whether any member of Congress or Senator was interested in the purchase of silver than what you have already stated?—A. What I have heard myself?

Q. Have you heard anything from any Senator or Representative on the subject?—A. No, sir; I answered that just a little while ago.

Q. Have you had then any other information on that subject except what you have already stated?—No; no, sir; I think not.

Q. Then all your information is what you have heard from others?—A. No, sir; but what I have seen and which was stated to me.

Q. Then you heard from others what was stated to you?—A. Well, I suppose you call it heard from others; yes, sir.

Q. You do not pretend to say you saw on the books the name of any Senator or Representative in these silver accounts?—A. No, sir; I stated the name was not signed, that he stated to me they were not charged in the name of those who purchased.

By Mr. PEEL:

Q. Let me ask a question right there. Did you see any man's name whom he said this silver bullion or certificates were carried. Were names given on the checks or any checks or any paper or accounts that represented?—A. No, sir; he showed me accounts and put a slip of paper over the name, and showed me the balance on that sheet and gave it to me by word of mouth.

Q. That is, the party in whose name the silver was carried for Senators or Representatives was covered by that slip, and you did not see the name he had in his books, whom he said carried the silver for them?—A. He said which they probably did.

Q. Did Mr. Donald give you the name of any person who was on the books as the man through whom this silver was carried?—A. He did not. He named three or four brokers who bought silver and carried it, and I tried to draw him out on that, and could not.

By Mr. PAYNE:

Q. Who was it who showed you these accounts with the slip of paper over them—Mr. Donald?—A. Yes, sir.

Q. What book was this?—A. I do not know what book this was; I am not familiar with it.

Q. Was it his check book?—A. No, it was not his check book. It must be a transfer book or balance book.

Q. How thick?—A. I do not know whether it was thick or not.

Q. What size book was it?—A. I did not examine the book particularly, but I think it was probably that thick [illustrating], maybe thicker.

Q. Two inches thick?—A. I should say an inch thick.

Q. Ordinary size bank ledger or account book?—A. I think it was a journal or—I am not familiar with books, but I should say, for instance, it would be a book in which a certain class of accounts were kept.

Q. Where did Donald show you that book—in his office?—A. Yes, sir.

Q. When?—A. When I was in there.

Q. Are you positive of that?—A. Yes, sir.

Q. Why did you tell us yesterday that Donald had never shown you any books except his individual check book?—A. I did not say he showed that.

Q. Are you positive of that?—A. I said, generally, a check book.

Q. Did not you testify that he had only shown you one book and that you had seen the check book of Mr. Donald, the cashier, and of the assistant cashier of the Hanover National Bank?—A. I said a check book or draft book probably, but that I did not know what book it was, but generally a check book, or draft book, or something of that kind.

Q. Do you mean to say you did not state that that was the only book you saw?—A. Refer to my evidence.

Q. Now, I want your recollection of it?—A. I am sure I did not positively state anything of the kind. It is to the best of my recollection; however, I was sick and worn out and I was not capable of testifying, and——

Q. Do you say you were not capable of telling the truth yesterday?—A. I was capable of telling the truth yesterday, but I was not perfectly well and I ought not to have been called upon to testify, and——

Q. Now you are positive you saw a large account book?—A. I did not say a large book.

Q. Well, a book an inch thick?—A. Yes, sir; I am positive I saw a book.

Q. And you are positive now that you saw the accounts and he laid a check or a slip of paper or something over the names at the head of the accounts?—A. Over the names of the accounts as they run down the sheet.

Q. Over the name of the party in whose name the accounts stood?—A. Yes, sir; as I understood it.

Q. But at the same time he laid the slip over he told you whose account that was?—A. No, he simply mentioned, "Here is a lot of accounts and some of these are for so and so."

Q. And was so and so's name a Senator or Representative in some instances?—A. That was my understanding of it; yes, sir.

Q. And these accounts represented transactions in silver?—A. Silver and silver certificates or representatives of money for that purpose.

Q. How many times did you see that book?—A. I think that was only once.

Q. Who was present?—A. Nobody.

Q. But Mr. Donald and yourself?—A. That is all.

Q. Did Parsons, when he showed you the books of the express company, cover up the names of the parties in whose name the account stood?—A. I do not think I testified that Mr. Parsons showed me the accounts of the express company.

Q. Did you see any books of Wells, Fargo & Company representing transactions in silver?—A. Yes, sir; I did.

Q. Who showed them to you?—A. Nobody showed them to me—Mr. Jennings was making up the silver accounts—yes, sir; he showed me accounts but mentioned no names.

Q. Mr. Jennings did?—A. Yes, sir.

Q. Did you see the name of the party in whose name the accounts stood?—A. I saw the name of one party as well as I remember.

Q. Did you see the name of a Senator or Representative on those books?—A. I did not.

Q. Or any officer of the Government?—A. Not that I know of.

Q. Well, these names were not covered up?—A. No, sir.

Q. So you were permitted to see them?—A. Yes, sir.

Q. Did Mr. Jennings tell you that those accounts represented transactions with any Senator or Representative?—A. He did not.

Q. Well, aside from this, including what you have already stated, have you any knowledge of the purchase or sale of silver by any Senator or Representative?—A. Personal knowledge?

Q. Yes, sir.—A. No, sir.

Q. Have you any information except what you have stated?—A. Not that I call to mind at the present time.

Q. Now will you be good enough to see if you can not recollect any of the conversation with Mr. Stevens, the correspondent of the St. Louis Globe-Democrat, in September or earlier, last year?—A. I remember having a conversation with him, but can not give the date or when.

The CHAIRMAN. The committee will now take a recess until 2 p. m. Thereupon the committee adjourned until 2 p. m.

AFTER THE RECESS.

TESTIMONY OF J. A. OWNBEY—Continued.

The CHAIRMAN. Mr. Payne will proceed with the examination of the witness.

By Mr. PAYNE:

Q. I saw you had some telegrams and a satchel in your hand when you came in. Have you found any more papers?—A. No, sir; I have not.

Q. You think you had one or more conversations with Mr. Stevens?—A. Yes, sir.

Q. When did you see his correspondence in the St. Louis Globe-Democrat, dated the 20th of September last, in which he referred to this silver-pool business and went into some details with reference to it?—A. I do not recollect that. It has been some time within the last few months, but I never read it fully at any time.

Q. You say within the last few months?—A. Yes, sir; I saw what purported to be an interview—a portion of it; I have not read it fully.

Q. Afterwards you saw what purported to be Stevens's evidence before this committee?—A. Yes, sir; in the newspaper.

Q. And the newspapers (did they not) said that Stevens stated that the information in that article of the 20th of September was furnished by yourself?—A. Yes, sir.

Q. And that you were the authority and informant for all the statements in reference to this silver-pool business in that article?—A. I do not remember that part of it.

Q. But after you saw the statement in the papers of Stevens's evidence you wrote him a letter?—A. Yes, sir.

Q. Where did you write that letter?—A. I told you I gave it to an attorney in Chicago, the substance of what I would like to say, and the letter was prepared and I glanced over it without reading it in full, and was satisfied it was all right, signed it, and sent it to Mr. Stevens.

Q. Is this the letter [showing letter]?—A. Yes, sir. Let me read it, please.

The letter was as follows:

[Letter addressed to W. E. Stevens, and by Mr. Stevens given to the Special Committee.]

THE RICHELIEU,
Chicago, Ill., January 19, 1891.

DEAR SIR: I am in receipt of your telegram inquiring whether I will testify if summoned, with mileage allowed, before a committee of the House of Representatives, which I understand to be charged to the duty of investigating the so-called silver pool. I have also read what purports to be a summary of your testimony before the same committee; the statements therein made are substantially correct, but I can not help saying that I am somewhat surprised that you used my name so freely without my consent.

In reply to your inquiry I have to say that I am willing to appear and testify without reserve, provided I have reasonable assurance that the investigation is made in good faith; that I have satisfactory guaranties that I shall be allowed to summon and compel the attendance of persons and papers in confirmation of my testimony; and provided, also, that it is thoroughly understood that if I go into the matter at all I shall have the right to take it into court where I could have fair play and punish the perjuries which I am sure will follow my disclosures.

I am ready and willing to make good all I have told you, but desire such guaranties of protection as will be acceptable to my attorneys. There is one error regarding Mr. Parsons.

Very truly yours,

JAS. B. OWNBEY.

Q. (After a pause.) I will read it to you if you have any difficulty.—A. No, thank you; I am getting along pretty well.

Q. Was any part of that letter, as you read it now, that you did not authorize to be written by the attorney in Chicago?—A. There is not, I think; I think that is the substance.

Q. Substance as you meant to have it?—A. Yes, sir; if I understand the language. I am not a very good grammarian.

Q. Then you had read what purported to be a summary of the testimony before the committee, and told him that this statement therein was substantially correct?—A. Yes, sir; I read what I supposed to be the purport of that.

Q. Then the statement was substantially correct in his evidence you read in the newspapers?—A. No; his statement, as I understand it, was correct as to what I had said, I think.

Q. And you stated "But I can not help saying that I am somewhat surprised that you used my name so freely without my consent." You did not mean by that you had not given consent to Stevens?—A. I do not remember.

Q. Did not you tell Mr. Stevens if he withheld your name until after

the 1st of January that then he might give your name as authority?—

A. I do not remember that sufficiently well enough to answer that.

Q. You can not say whether you told Stevens that or not?—A. No, sir; I can not.

Q. You say here, "There is one error regarding Mr. Parsons." What mistake did Stevens make in that evidence?—A. I understood his testimony stated that Mr. Parsons was one of the members of the pool with which I was associated, and that I wanted to correct.

Q. That is the correction you wanted to make about that?—A. Yes, sir.

Q. Now to come back to Mr. Stevens and your talk with him. "One of the most active workers for silver legislation"—I suppose that is Mr. Ownbey?—A. I suppose it refers to me there.

Q. "Makes this statement, and he gives names and figures. The largest amount of individual profit is \$275,000. That goes to the credit of a Western Senator." Had you any individual knowledge that any individual Senator had made \$275,000 out of silver by buying, selling, or dealing in silver?—A. It was estimated by—

Q. Had you such information?—A. I did.

Q. From whom?—A. Mr. Donald.

Q. From Mr. Donald?—A. Yes, sir; that is, in course of conversation, and I think I had it from one or two others, but I am not certain.

Q. Who besides Mr. Donald?—A. Mr. Cunningham.

Q. Anyone else?—A. I am not sufficiently positive to answer that question.

Q. Did you make that statement to Mr. Stevens?—A. Yes, sir; I had a conversation with Mr. Stevens.

Q. Did you make that statement in the conversation with Mr. Stevens?—A. Yes, sir; I think I did, or something of that nature.

Q. Or something of that nature?—A. Yes, sir.

Q. I do not hardly understand that.—A. Well, I do not hardly understand everything you say.

Q. Then we are in the same boat in that respect. I always try to enlighten you, will not you enlighten me? You say "or something of that nature."—A. Yes.

Q. This is a statement of that amount, \$275,000 made by a Western Senator, and you mean to say, "or something of that nature?"—A. It was estimated—we figured up the amount likely to be carried on a margin; that is, certificates held in New York, not actual delivery but simply bought on option, puts, and calls, and if it had been sold at the highest price for silver at which silver had been quoted that that would be the profits.

Q. Did you pretend to Stevens that you had any personal knowledge of that?—A. I can not remember my exact language. I stated in regard to what I understood from the conversation of Donald, but I can not remember now.

Q. Did you tell him you got this information from Donald?—A. I did not tell him where I got the information.

Q. You said it was so that a Western Senator had made about that sum?—A. I am not positive about that either; I probably said in the course of the conversation—no, I am not positive about that.

Q. I do not care what you probably said.—A. Well, I am not positive about that.

Q. "The smallest amount is \$2,000, which will help out the campaign expenses of a Western Representative, who finds it hard work to make both ends meet on his salary." Did you state that to Mr. Stevens?—

A. I do not think I said anything about the Representative's salary or anything of the kind. May be I did but I do not remember. I do not remember when I said anything of that nature, but I spoke of the Representative and \$2,000.

Q. Did you tell him \$2,000 was the smallest amount?—A. Not that I had any information, but that that would be the amount in the estimate if that had been unloaded at the highest price.

Q. Did you tell him that of your own knowledge?—A. I told him the knowledge I have given the committee, from the same source I have given the committee.

Q. Did you pretend you knew this or received the information from some one else?—A. I guess I gave that impression.

Q. The impression that you knew it yourself?—A. Yes, I guess so. I am not sufficiently positive on that to answer exactly what I did.

Q. Is your memory real good?—A. I think it is as good as yours.

Q. Well this conversation was last summer or fall?—A. Yes, sir, I think so; I know it.

Q. Your memory is not sufficiently good to state positively whether you told him that as coming from your own knowledge or whether you quoted Mr. Donald?—A. No.

Q. "Twelve Senators and 15 Representatives participate in this handsome clean up of a sure thing speculation." Did you tell him that?—A. I think I mentioned the number that I had information was interested in it. I think that is substantially correct. I think I mentioned that number.

Q. Did you tell him 12 and 15?—A. I think I said between 12 and 15.

Q. Did you state that positively?—A. I am not sufficiently positive to state whether I did or not; I probably did, but I am not certain.

Q. Do you remember this conversation?—A. I remember having a conversation of this nature with him.

Q. Did you have more than one?—A. I do not remember that either. About this subject?

Q. I mean of course about this subject.—A. I do not remember now.

Q. Where was that conversation?—A. I think that was on Fifteenth street, in his office or close to his office, possibly in his office.

Q. "I tell you it is 'pie,' said the worker who is himself ahead enough."—A. Yes, sir; that was before I knew my interest was repudiated in the Donald deal.

Q. Did you tell him it was "pie?"—A. I remember using that language; that sounds like the phraseology of my language.

Q. I will not ask you to be very definite about that. "We were figuring up in New York the other day the extent of the deal and profits on it. We found that before the silver bill became a law the amount of silver taken in by the various pools for the expected rise was 40,000,000 ounces. This is our entire product for 8 months, you know. Just think of it." Did you tell him you had figured out the thing and you found the amount taken in was 40,000,000 ounces?—A. It was estimated that was the amount being speculated on, that is, the amount actually purchased, warehouse certificates and bullion, at the time the agitation commenced up to the end.

Q. Was 40,000,000 ounces?—A. Yes, sir, that statement is given a little at random.

Q. Yes, it is a little at random?—A. Fifty-eight million, I believe, are the statistics for the annual product per annum, last year, and—

Q. I am not getting at the product per year; of course, anybody could figure about that. That would not create any particular excite-

ment, but "We found that before the silver bill became a law the amount of silver taken in by the various pools for the expected rise was 40,000,000 ounces." Now, did not you tell us this morning that the only amount you had heard, had any information, had been bought through these various sources, and it was 6,000,000 ounces?—A. I think I stated that that was the amount bought by the Donald pool.

Q. You do not mean in this interview of Stevens to be confined to this specific information you had received and give a summary of the whole thing?—A. I gave a summary of what we had figured up there had been speculated in, and where men might buy and agree to turn it over and get it carried.

Q. You had talked this over with Donald?—A. Yes, sir.

Q. Anyone else?—A. I talked it over with Mr. Cunningham and Mr. Jennings, but I am not positive.

Q. Mr. Jennings?—A. I think I did, but I am not positive.

Q. And that each one combined would amount to \$40,000,000?—A. The expected transactions as well as I remember; I am not positive.

Q. That is, the various pools?—A. No, I am speaking of transactions, as I stated a minute ago.

Q. "The amount of silver taken in by the various pools for the expected rise was 40,000,000 ounces." Did Donald estimate that?—A. As to the amount of the transactions, I think he and I did, but I forget which. It was talked over between us I know.

Q. Did you tell Donald 40,000,000 ounces had been taken in by the various pools?—A. I do not remember that. My impression is that he told me or Cunningham mentioned it to me.

Q. Did Cunningham mention that amount?—A. I think he did; yes, sir.

Q. And Jennings?—A. I am not positive he did.

Q. "The pool I am in bought some at a little less than 95. The rest cost us something more than 95. The average for the whole was about 97." Did you tell him that?—A. I probably did; I am not positive.

Q. Do you mean by that to refer to this agreement you detailed with Donald this morning?—A. Yes, sir; that is what I intended to refer to.

Q. You do not know of any other pool you were in except that?—A. That is all I was associated or interested in.

Q. And your agreement was wholly with Donald?—A. Yes, sir.

Q. And you found out that Donald was "not in it," or at least he said he was not.—A. I found out he was not.

Q. You found out Donald said he was not in it.—A. I found out he said so—yes, sir.

Q. "August Belmont and his friends got in at from 95 to 98. Silver has been as high as 120. It is now 117. I think 20 cents an ounce is a fair estimate of the profits of the pool to this time. Twenty cents an ounce on 40,000,000 ounces is \$8,000,000. Well, that represents the profits made by the New York and Washington pools on the advance of silver." Did you say that to Mr. Stevens?—A. I think I said provided everything was sold out at the price we had calculated on. Of course they would not make unless they sold out.

Q. What knowledge did you have of August Belmont & Co. buying any silver?—A. Mr. Jennings told me they were buying.

Q. Mr. Jennings gave the information?—A. And gave the names of silver dealers there.

Q. Did he give the price at which they had taken it in?—A. I do not remember whether he did or not.

Q. How did you get the information in regard to the price at which August Belmont & Co. bought it?—A. I got it from my own information and what silver was selling for and quotations on the market which probably you or anybody else could get.

Q. "Do you know how the 40,000,000 ounces were divided?" Your answer is, "I have a pretty good idea. The August Belmont pool got hold of 8,000,000 ounces." From whom did you get that information?—

A. I am under the impression I got that both from Mr. Donald and Mr. Jennings. Mr. Donald I am sure of, and I think also Mr. Jennings.

Q. "I do not think any of it cost over 100, and most of it was got below 98. Woodward and J. M. Donnell, of the Hanover National Bank, H. C. Parsons, of the Wells, Fargo Express Company, F. B. Olcott, president of the Central Trust Company, and their associates took in 6,000,000 ounces."—A. If I mentioned—I have forgotten whether I mentioned F. B. Olcott's name or not, but if I did he misunderstood me as to my having knowledge either directly or indirectly of his being connected with it.

Q. You had no information from Donald or anybody that Olcott was in it?—A. No, sir.

Q. And I believe you said that is wholly on information that you received from Donald which you detailed this morning?—A. I did not state that.

Q. But you did state, as I understand you, that Woodward and J. M. Donald, of the Hanover National Bank, and Parsons, of Wells-Fargo Express Company, and their associates took in 6,000,000 ounces. You stated that, leaving out Olcott's name.—A. I said we had estimated, that was my information, what I had been told, that there was about 6,000,000 being bought in which I presumed—

Q. Then your information in regard to that is what you have given the committee and you received it from Donald.—A. Yes, sir; only I wanted to correct that about Mr. Olcott and Mr. Parsons.

Q. You have got that in, as the reporter has taken that. "The Seligman Brothers' pool had from 4 million to 5 million ounces." Where did you get that information?—A. I think I got that the same way.

Q. From Donald?—A. It was talked over, and then to verify what I presumed was right I went over and asked Mr. Jennings some questions; I did not let him know why I was asking them; and he said he could not tell exactly, but probably it was true.

Q. Probably what was true?—A. That they were buying silver; that Seligman & Brothers were buying silver, and he said that they dealt in silver, and gave me the names of all who were dealing in silver.

Q. How much did Jennings say Seligman Brothers purchased? Do you remember that he told you any amount?—A. He told me they bought silver from them at times.

Q. He said they bought silver?—A. Yes, sir.

Q. Did he tell you, in reference to any of these parties, anything except that they bought silver?—A. I think he said that they did buy, but I forget the figures at the present time.

Q. Did he tell you altogether there had been \$40,000,000 bought; did Jennings tell you that?—A. No, sir; he did not.

Q. Only Donald told you that, or did you say Cunningham told you that 40,000,000 of ounces were bought altogether?—A. I did not say there was 40,000,000 ounces bought altogether, but I said the transactions or speculations in silver were 40,000,000.

Q. Did either of them tell you that the transactions in silver altogether amounted to 40,000,000?—A. That was what was estimated.

Q. Did either one tell you that was his estimate?—A. Mr. Donald did and I think Mr. Cunningham did.

Q. "Hutchins, the vice president of the Third National Bank of New York, was at the head of a small syndicate which bought 1,000,000 ounces." Did you state that?—A. I mentioned his name and I probably stated that in substance, but I can not remember exactly now.

Q. From whom did you get that information?—A. I got that from Mr. Cunningham, I think it was.

Q. You are not certain that was from Mr. Cunningham?—A. I am not positive; it was either from one of those——

Q. From one of those three—Donald, Cunningham or Jennings?—A. I did not refer to him.

Q. Was it Cunningham, or Donald, or Jennings?—A. I meant Cunningham or Donald. It was the conversation I had in the bank and I went to the other to verify his estimate, and get what I could there.

Q. "The Fourth National Bank held 4,500,000 ounces." Who did you get that from?—A. The same way. I got no information except what I have stated.

Q. "Simons & Co. got 3,000,000 ounces." Where did you get that from?—A. My information regarding that was from the same source, purely upon estimates of transactions.

Q. "Those were the principal pools made up in New York. The largest pool of all, probably, was one which took in seven United States Senators and a number of New York capitalists. That pool had 9,000,000 ounces." From whom did you get that information?—A. All from the same source.

Q. From which one of them, Donald or Cunningham?—A. I think it was both.

Q. You think they both told you that?—A. Yes, sir; now, let me refresh my memory a little on that. I do not remember the exact number; I spoke of 8, 9, or 10, I think, probably. In answer to that question I would like to give the names of those men.

Q. What names?—A. The names of those men mentioned there.

Q. Seven Senators?—A. Yes, sir.

Q. You want to give their names. Who else gave you information?—A. That was merely based on an estimate if the men were in; what we figured they probably would have and might have in the way of speculation, buying from one man and selling to another, including all the transactions, buying and selling.

Q. Of course I do not propose to hold you down to two or three or four millions of silver.—A. Well, you would like to have it pretty well.

Q. But aside from these two gentlemen you have named, Hutchins and Donald, who gave you this information about this pool involving seven United States Senators?—A. Mr. Hutchins didn't give me any information.

Q. Mr. Cunningham; I beg your pardon, who besides them?—A. Read that article to me.

Q. I will read this over again:

The largest pool of all, probably, was one which took in seven United States Senators and a number of New York capitalists. That pool had 9,000,000 ounces.

A. That information was obtained from Mr. Cunningham and Mr. Donald, and what Mr. Littler said to me.

Q. Mr. Littler?—A. And my conclusion was reached from what I had said to Mr. Littler and he had told me, which was very brief.

Q. Mr. Littler gave you the name of only one United States Senator,

he only spoke of one United States Senator, did he?—A. I stated I thought possibly he only spoke of one, but referred to a party at a hotel or clubroom here where a party of men met and the names were mentioned in the conversation and I understood him to include the entire outfit.

Q. You understood Mr. Littler to tell you that a number of gentlemen who met somewhere at a clubroom, somewhere in this city, were interested in the purchase of 9,000,000 ounces of silver?—A. I referred to the men that frequented that place, and after he had mentioned, as well as I remember, the Senators, the parties named, I said to him, "Well, there are so many of them there, so I suppose they are in it," and he said, "I guess that is right."

Q. Did he mention the names of these parties?—A. No, sir; I did not say he mentioned them.

Q. Did you mention them?—A. I said they were mentioned, and I perhaps mentioned the names of the people who frequented there and asked if they were in it, and he gave me the understanding, or at least I understood him to say, that they were.

Q. Did he say anything about the amount?—A. I think our conversation ended there.

Q. What was it he said that gave you the understanding that they were all in it. What did he say?—A. When he spoke of these Senators I said—I asked him if he had got any silver, in other words. He said, "Yes, I have got some," and I mentioned a member's name and I think I said, "You are with him," and he said, "Yes." I said, "There are seven or eight others over there and I think I gave the names, and I said, "I suppose they are all in?" and he gave me the understanding that they were, but I can not remember his exact answer.

Q. Can you give the substance of his answer?—A. I have given his answer.

Q. No, sir; you say he gave you the understanding that they were all in or said something by which you understood they were all in. Tell us the substance of what he said.—A. I said I supposed they were all in and he said I had probably guessed right or something to that effect, I can not remember.

Q. That is it, "you probably guessed right."—A. "Or probably that might be."

Q. Did he say "probably were" or "might be"?—A. I do not remember, I say.

Q. Was it one of those three that you had guessed, or they probably were, or they probably might be?—A. I can not tell as to that.

Mr. PEEL. I would like for Mr. Ownbey to tell us where this was.—A. It was at Chamberlin's.

By Mr. PAYNE:

Q. Did you get any information as to where this amount of silver was bought, through what firm or bank?—A. Nothing more than information I have given you.

Q. Well, in regard to this 9 millions, where Littler and his friends were interested in silver and these gentlemen who had meetings at Chamberlin's, did you get any information as to where any part of that was bought, through whom it was bought?—A. Through Donald and Cunningham, which I mentioned a few minutes ago.

Q. Did he tell you it was bought through Donald and Cunningham?—A. I did not say that, I said they had told me.

Q. You got information from them where it was bought?—A. Yes, sir.

Q. Where did they say it was bought?—A. I did not say where.

Q. Was there a usual business transaction in reference to it?—A. That I did not state.

Q. Well, I am asking you to state now, I am aware of that.—A. I do not know where it was bought.

Q. Did not they tell you?—A. No, sir; it was just in a general conversation.

Q. Did anyone tell you where this lot of silver was bought?—A. No, sir; I did not say 9 millions was bought.

Q. Well, where the transaction took place in reference to this amount, 9 millions, more or less, by these seven Senators and other New York capitalists who met at Chamberlin's?—A. As well as I understand it—I understand the business was done through different brokers, different silver brokers and dealers in New York.

Q. Did you get the names of any of those brokers?—A. I gave the names yesterday evening and this morning.

Q. Through these same brokers you mentioned before?—A. Yes, sir; probably the business was done through them.

Q. Probably; I do not want a probability. Unless you have some information.—A. Well, you have got the information.

Q. Yes, we have got something about it. "The other holdings were small, but altogether they made up 4 millions, bought and held for the rise, which we knew was as sure as the sunrise if Congress passed a favorable silver bill." Did you have any information about the small holdings?—A. That was estimated upon as belonging to people who might get in and buy on the outside.

Q. That was simply an opinion without positive information?—A. Yes, sir; to that effect.

Q. "Was any money spent in Washington to influence legislation," to which you reply, "Not in the way of buying votes." Did you say that?—A. I think so, I do not remember. I never saw that interview, if I had it would not have been published.

Q. You say you never saw this interview?—A. Not until it was published.

Q. You have seen it since it was published?

Mr. OATES. You say if you had seen it it would not have been published?

A. Yes, sir.

By Mr. PAYNE:

Q. Why not?—A. Because the statement in there, as I say, was based on the information I gave, and after I looked it over I should have asked him not to publish it.

Q. Is there any other reason for not publishing it?—A. Yes, sir.

Q. What?—A. I might have injured the prospect of the silver bill passing.

Q. But the silver bill passed months before that?—A. No, sir.

Q. It became a law the 14th of July, and this was published the 20th of September?—A. There was some measure, as I remember, pending. They expected a measure, that is, introduced in one or the other House for free coinage.

Q. Was there any other reason?—A. Yes, the notoriety I knew would be given.

Q. Was there any other reason?—A. Probably there was.

By Mr. OATES:

Q. You do not deny the interview as reported is correct?—A. No; I

do not deny that, but I can not remember what I did say about it. I was feeling rather good over the profits I was to make and probably made some statement there that could be considered as extravagant and sanguine and exaggerated.

Q. On second thought, having read this interview or thought it over since, do you state that some of the statements were a little extravagant?—A. Yes, sir; I will say not only a little but considerably so.

By Mr. PAYNE:

Q. Did you state "We had men under employment to watch things and give the latest information?"—A. Yes, sir; I guess I did.

Q. Did you?—A. There was myself I knew of.

Q. Anybody else?—A. I can not answer that positively. I would not be positive that anybody else was employed, but I gathered that from different conversations.

Q. Had you any information that anybody besides yourself was under employment to get the latest information?—A. Yes, sir; I so understood.

Q. "Then we worked up sentiment."—A. Yes, sir.

Q. What connection did you have with working up sentiment?—A. I was not working up sentiment. I probably used that word, if I did use it—I made a mistake by using that.

Q. You used the word in an editorial sense or a Pickwickian sense?—A. I used it in the same sense you have been trying to use some of your language.

Q. You hadn't known me up to that time?—A. No, but I am very happy to meet you.

Q. So you could not have learned that from me up to that time. "Something was spent in publishing articles in the newspapers?"—A. Yes, sir.

Q. Do you know anything about that?—A. I knew that from Mr. Slater, who was here representing what I understood to be, a few years ago or a year ago, the silver committee from the West, and a number of Western men were interested in it. I think I also talked to Senator Jones about it.

Mr. PEEL. Which Senator Jones?—A. Senator John P. Jones, of Nevada. I think I talked with him about it sometime ago.

By Mr. PAYNE:

Q. You think they both told you money was being spent in that way?—A. Certainly, and as I understood it, it was spent legitimately for the publication and for circulating circulars and printed matter for the benefit of the public mind.

Q. Something was said in publishing articles in the newspapers. Several good silver men were kept here under salaries to talk and to represent the strong silver feeling in the West?—A. Yes, sir.

Q. Were such persons employed here or is that on information?—A. I understood they were.

Q. You had been informed they were?—A. Yes, sir.

Q. Who had informed you of that?—A. I think those gentlemen did and I had understood it in a general way. One man had told me that he was looking after that.

Q. Who was that?—A. A man by the name of Taylor. He is now at the Golconda Mine in Colorado.

Q. You think he is there now?—A. Yes, sir.

Q. Did any one else inform you he was here on a salary?—A. I un-

derstood that it was on a salary. I understood that there was money for legitimate expenses—expenses that might occur.

Q. Who else informed you that?—A. I think Mr. Parsons said that was probable.

Q. Mr. H. B. Parsons?—A. I am not positive about that. With the natural feeling and sentiment of silver people, the inclination was to lay the question before Congress.

Q. I am only asking for information. We can reason about it perhaps quite as well, and we can reason on the same subject as you can.—

A. I doubt that very much, as I do not think you are as familiar with it as I am.

Q. I doubt myself whether we can reason to the same conclusion on the subject. Now the question is asked in this article, "There was a lobby fund but not a corruption fund." You mean to refer to what has been said to you?—A. Yes, sir.

Q. "That is all about it. No Senator or Representative was offered as much as a dollar to vote for a silver bill. Some of them were shown how they could make a little money by speculating on the rise of silver which was sure to follow the passage of a favorable bill. They were approached through friends who were in the pools. These friends offered to let them into a good thing. Several Senators and Representatives put in their money and took a few thousand ounces a piece. There were others that had the money to speculate with. It was arranged that the impecunious should have certain amounts carried for them by the pools. If silver went up they were to have the profit. If it didn't go up they were to get nothing. About \$250,000 was put up to get the silver which was bought and carried for those Senators and Representatives who did not invest their own money. Of course this \$250,000 was not spent or lost. Those who raised it got it all back, less interest and commission. The Senators and Representatives for whom the silver was bought got the profits." Did you state that to him?—A. I do not think I did in that language. Possibly in the same basis I answered you on the other, that was simply an estimate or figure that was given on the general information I obtained.

Q. Did you tell him that any Senator or Representative had silver carried for him by a pool or by anybody?—A. I do not remember distinctly enough to answer that positively. I do not remember positively.

Q. Do you remember whether you said that \$250,000 was put up for impecunious Senators and Representatives to carry silver for them?—

A. I think I referred to that as a matter of loan, that Donald had told me that that man had been loaned money, a public man, and presumably for that purpose, as I understand it.

Q. Did you tell him that this \$250,000 was put up for Senators and Representatives?—A. I so understood.

Q. And that the parties who put it up got \$250,000 back less interest and commission and that the members got the profits.—A. I probably stated if they sold silver when it was up—it was in the same line I answered a few minutes ago.

Q. Now we can guess at that of course, but that is not what we want; do you recollect whether you stated anything like that?—A. I said something about \$250,000 but the exact language I do not remember.

Q. What was it?—A. I said I could not remember it exactly.

Q. Well, remember in substance what you said?—A. I can not remember, I have stated that twice.

Q. That is rather a startling statement. You say that this was to

nfluence Senators and Representatives to vote for free silver?—A. I stated they could get that amount.

Q. No, that that was bought, that is the statement here; “about \$250,000 was put up to get the silver which was bought and carried for those Senators and Representatives who did not invest their own money.” And it is stated that they had profits on that silver.—A. I do not remember that exactly.

Q. Do you mean to say you can not remember whether you made that statement in August or September last?—A. The exact language I can not remember.

Q. You recognize that this is a charge of bribery, do you not?—A. I do not; probably you may construe it that way.

Q. Well, construe it that way, did you have such information?—A. I had information that Mr. Donald said it was.

Q. Mr. Donald said it was \$250,000.—A. Estimated on that basis of \$250,000.

Q. Had Mr. Donald told you that \$250,000 had been put up, or any other sum, to carry silver for Senators or Representatives in Congress who were not to be charged with interest and were not to be charged for commission, the Senators and Representatives were to have the entire profits in consideration of their votes on silver?—A. I do not remember that language, and I did not say it in the language in which you stated it, not to my knowledge.

Q. Then you say you never made such a charge as this?—A. No, I did not say that.

Q. What did you tell Stevens, then?—A. I talked with Stevens about the amount that was estimated had been put up and what it was calculated it would cost to carry it for those men friendly disposed toward silver, in other words, who wanted to buy silver, not in the sense of bribery, but, for instance, if a man wanted to buy it he would be in some way notified he could borrow the money to carry it on. That is the sum and substance of it.

Q. Who was to pay the losses in case there was a loss; who was to suffer it?—A. There was nothing said about a loss.

Q. Well, in case there was a profit; in case silver was sold out; suppose silver went down and there was a loss on that; suppose the bill did not pass and the silver market went down and there was a loss, who was to sustain the loss on that silver?—A. I so understand that the men who borrowed the money would sustain the loss.

Q. The Senators and Representatives?—A. Yes, sir.

Q. But here they are the “impecunious ones?”—A. I do not remember whether I talked of impecunious or—

Q. This statement says “impecunious;” do you say you did not talk of that class?—A. I did not say what class. I can name the names of those who were said to be in the pool, and I am obliged to do it right at this point.

Q. No, you will not.—A. You do not intend me to say it.

Q. I do not intend you to use the name of any man on hearsay.—A. I know you do not and you did not intend that when you brought me here, either.

Q. I do not propose to be the conduit for any such hearsay statement.—A. But you are willing to shut off part of my testimony.

Q. That is not testimony, sir; it does not amount to the dignity of testimony.—A. There is a difference of opinion about that. You put me in court and it would have a different footing.

Mr. PEEL. You would not be allowed in court to state hearsay testi-

mony. As I told you awhile ago, the object of the committee is not to screen anybody, but we want sworn testimony, and if you are allowed to say what John Smith or Charles Jones said to you then you force evidence upon the committee which is not sworn to at all. You can give us the name of a man who told you certain Senators or Representatives were in such and such a transaction and we can bring them here.

The WITNESS. It is hard for me to answer his questions intelligently.

Mr. PEEL. I wanted to explain this to you, as you seemed to be urging upon us to allow you to give the names. If you know any member or Senator or any employé of the Government participated in silver speculation directly or indirectly, or any Senator or Representative had it carried for him, why, that person will be called.

The CHAIRMAN. Or ever said such a thing in your presence.

Mr. PEEL. If you know these, then of course we will be glad to have them.

By Mr. PAYNE:

Q. What did Donald tell you in case the silver went up and was sold at a profit, who was to pay the interest on this \$250,000 or whatever sum was put up?—A. I do not remember what the sum and substance of that conversation was. I understood the broker, or whoever bought and sold, was to receive the profits, and the interest—I do not remember it being mentioned at that time.

Q. Do not remember the interest being spoken of?—A. Not at that specified time.

Q. Then you didn't tell him that those who raised it, that is, the \$250,000, got it all back less interest and commission; you did not tell Stevens that then.—A. I think I stated to Mr. Stevens that if there were profits they would have got them back less the interest.

Q. Did Donald or anyone tell you that this \$250,000 was to be carried and the parties who loaned it to them would lose the interest? Did Donald tell you the man who loaned the money would lose the interest and commission?—A. I can not state specifically he did, but my impression is he did; I am not positive about that.

Q. If Donald told you that you probably told Stevens that, did you not?—A. I do not remember my conversation with Mr. Stevens.

Q. It did not occur to Mr. Stevens at any time that that amounted to a charge of bribery.—A. No, sir, it did not; but I say if I had seen that article at that time I should have asked him not to have published it.

Q. Of course we all realize that. Now, did you tell Mr. Stevens "no Senator or Representative was offered as much as a dollar to vote for a silver bill," but that the friends of silver were to put up this money for margins?—A. I probably did; I intended to convey that idea, that if his influence was friendly to secure legislation that he would find plenty of men to help him to get the money to speculate, the same as carrying railroad bonds.

Q. This does not say——A. That is exactly what I intended to convey.

Q. You did not intend to have Mr. Stevens understand that the thing had actually occurred; that somebody had been approached with a proposition of that kind and accepted it?—A. Not specifically; no, sir.

Q. Did you mean to state it generally?—A. I meant to state it in the sense I have stated it; in the sense I have stated it exactly.

Q. Well, you have not stated on that point. What did you say on the

subject of any one being bribed, and they were shown how to make a good thing, etc.; what did you state on that subject to Mr. Stevens?—A. I think I stated to him that these—no matter who they were the members—were preferable to the men who wanted to secure silver legislation, and had been intimated to or notified either directly or indirectly that they could secure money to speculate or buy silver if they wanted to.

Q. That those who were friendly to it?—A. Those who were friendly to it and those not friendly; those not friendly who could be made friendly.

Q. That they could be made friendly by that means?—A. No.

Q. If they would become friendly to it then they could get that money put up for them. State it again will you?—A. No, I decline to give any more.

Q. I want a little further on that. Will you state what you did say? Did you say if they were not friendly that they would become friendly?—

A. If I said become friendly I want that stricken out. I think you are the only one who used that word.

Q. The stenographer will undoubtedly take a note of your desire to have it stricken out, but probably the committee will let the rest stand as it is.—A. You can do as you please about that; I do not care

Q. Did you state anything else on that subject to Mr. Stevens?—A. I do not remember; I have not read the article in full until to day.

Q. When did you first see that article?—A. I think I first saw it in the New York Sun, copied from the St. Louis Globe-Democrat, a month or two ago.

Q. The New York Sun after it was published in the St. Louis Globe-Democrat?—A. Some time after; I do not remember how long. Somebody was speaking to me about silver—

Q. You say a month or two ago you saw it in the Sun?—A. Yes, sir.

Q. You recognized at once it must represent some conversation you had with Stevens?—A. No, sir; I did not ask Mr. Stevens whether it did or not.

Q. When was that?—A. I do not remember, probably I talked in his office.

Q. After that did you see the article?—A. I did in the New York Sun.

Q. When did you first know Mr. Dockery had introduced a resolution looking for an investigation of this thing?—A. I think that was some time in December.

Q. Soon after it was introduced?—A. Yes, sir.

Q. You were here in Washington?—A. Yes, sir.

Q. Did you see Stevens after that?—A. Yes, sir.

Q. Did you see the article after that?—A. I do not think I did; no, sir.

Q. Did you try to see it?—A. No, I did not.

Q. Then I understand you never had read the article until yesterday?—A. I read the article, as I stated to you, in the New York Sun.

Q. Did you read it then?—A. I believe I did, that is, read—

Q. Did you read it through?—A. I read the substance of it.

Q. Can you remember whether you read it through in December?—A. No, I am not positive, but I do not think I read the thing through; I glanced over the article. Somebody had told me about it, a man Sickles; he told me about the article appearing, and I spoke to Mr. Stevens about it and asked him if he had written up that article and what I said, and he said: "Yes, upon that and some information from

other sources;" as well as I remember that was the exact language to me.

Q. You state you did not read the article through when you—— —A. No, sir; I do not remember reading the interview. I had other things to think about at that time, and I did not pay any attention to it all.

Q. And you want this committee to understand you never read that article through until yesterday?—A. I am positive I did not read it fully through, but I read the sum and substance of it in the Sun.

Q. Did you not read it from beginning to end in the Sun?—A. I do not think I did; no, sir, I do not think I did. I read the sum and substance of it. I was told what it was, and the effect of it would be the resolution for an investigation; for an investigating committee.

Q. You had some talk with Mr. Stevens after the agitation for the investigation made by Mr. Dockery, did you not?—A. Yes, sir, I had some talk with him.

Q. And you knew Stevens was subpoenaed as a witness before the Committee on Rules?—A. No, sir, I did not.

Q. You had some talk with him as to whether he should disclose your name as the informant on whom the article was based?—A. I think I did.

Q. But still you did not read it?—A. Still I did not read it.

Q. And you were subpoenaed as a witness here, and knew you were to be asked about information you had given Stevens?—A. I did not know whether I would be asked or not.

Q. You expected to be?—A. Yes, sir; I expected to be.

Q. And you gave Mr. Stevens in December a list of names of persons whom you said would substantiate the statement you had made in that article?—A. I gave a list of names which I said if brought in the court along with the bank books would substantiate my statement to—I forget what extent; but it was substantially my statement—who the pools were, and mentioned the houses which I have referred to—the institutions.

Q. Did not you tell Stevens after the article appeared that you had read it and it was correct?—A. I do not remember whether I did not; but probably said part of it was correct.

Q. If you did tell him it was correct, did you endeavor at that time to tell the truth?—A. As I received my information I did.

Q. Of course you understood what was in the article when you told him that, did you not?—A. No, I did not understand the full purport of the article.

Q. Had not read it?—A. No, sir, as I told you before.

Q. Now, in Chicago you read from the newspapers the evidence of Stevens or what purported to be the evidence of Stevens.—A. I suppose it was, I do not know.

Q. And in that he was represented as saying that the information on which this article was based was obtained from you.—A. Yes, sir.

Q. And that he had published it substantially as you stated it to him?—A. If I remember——

Q. Did not you get that information from the papers that he testified to that within the last ten days?—A. I got the information that was telegraphed to the Chicago Post. I forget exactly what it stated, but I know that it met my idea, that it was substantially correct so far as my information went. That is what my letter was intended for.

Q. You are wandering off the point?—A. No, you do not want me to testify here as I would like to, that's all.

Q. I want to get the truth from you. You saw the statement of

Stevens's evidence given before this committee, or what purported to be, in the papers?—A. In the papers; yes, sir, and probably it was.

Q. And in that Stevens was represented as saying that he had written this article on what you had stated to him, you saw that?—A. On evidence and other information that confirmed——

Q. But the story substantially came through you?—A. I do not know whether it did or not.

Q. Did not he so state in his testimony as you read it?—A. I believe he did; yes, sir.

Q. And that he had stated in his article substantially what you told him. Did not he state that in his evidence as you understood it?—A. All what I had stated?

Q. Yes.—A. Yes, as I have given my testimony here, if you consider that to be correct.

Q. We are not getting back to that because he did not refer to your evidence here, but he referred to what he had put in the Globe-Democrat last September.—A. I do not know what the figures were or the names. My statements that I have just made—if the account was based on that basis, if he covered that ground—I mean to say that was correct.

Q. You knew from the report you had of his evidence that he referred to his article in the Globe-Democrat?—A. I was satisfied of it.

Q. And that he claimed to have based the statement there on your statement to him?—A. Yes, with the other information he had.

Q. And he stated that statement in the St. Louis Globe-Democrat was correct, substantially; he testified to that, you knew that, did you not?—A. No, I did not know that; I do not remember that.

Q. You do not remember that?—A. I do not remember that was exactly the language. I remember writing a letter and stating that the purport was correct.

Q. The purport of this dispatch was correct?—A. That the evidence given as to the information and names as I have given here, regarding Donald and Cunningham and others, that is exactly what I mean to say and that is what I intended to include in that letter. If the letter covers more than that ground, then if I am permitted to, I will strike it out. My lawyer says it does.

Q. You want to strike out of the letter, "I have also read what purports to be a summary of your testimony before the same committee." It seems, then, you understand what the meaning is of the word "purport" although you did not yesterday. "I have also read what purports to be a summary of your testimony before said committee; the statements made therein are substantially correct, but I can not help saying that I am somewhat surprised that you used my name so freely without my consent."—A. I do not think there was any amount mentioned in his testimony at all, as to the 9,000,000 or 40,000,000 or as to the 15 Senators.

Q. You are however willing to say—you have had various newspaper interviews within the last few days.—A. No, sir, I had only two or three; I do not remember; a great many newspaper men asked me questions.

Q. And you told those newspaper men that the statement you made to Mr. Stevens and the correspondence in the St. Louis Globe-Democrat were correct?—A. I do not remember that.

Q. As published in that article?—A. I do not remember stating that positively.

Q. Did you state that there was any mistake made in that article?—A. I think I did.

Q. What mistake did you mention?—A. I spoke of Mr. Parsons and Mr. Olcott and one or two others.

Q. You stated there was a mistake in Olcott's name being used?—A. Yes, sir.

Q. Did you tell them it was substantially correct except these two or three mistakes which you noticed?—A. I probably did, as I understood the testimony coming from Stevens.

Q. And as you understood the article?—A. As the statement I have made here and gave my reason for the statement to Mr. Stevens.

Q. But still you did all that not knowing what the original article contained in it, never having read it?—A. Never having read it fully, no, sir. If I read it it was hurriedly, just glancing over it.

Q. You do not mean to throw any doubt upon your having read it some manner now?—A. No, I say just glanced over it; but the figures I did not carefully read or anything of the kind.

Q. You just glanced over it?—A. I say I read a part of it.

Q. Did not you read every word of it?—A. I probably did; I say I am not positive about that.

Q. You probably did?—A. But the evidence, the testimony I have given as under oath is correct.

Q. Of course, I am not saying about that; but you do not mean to be understood you did not read it; that you probably did read it?—A. I probably did as copied in the New York Sun.

Q. And you probably read it through?—A. I probably did, yes, sir; I am not positive about that; I do not know.

Q. You could not say you did not read it through?—A. No; I will not say positively I did or did not. My impression is I did not; that is, I did not read it through carefully and analyze it as I went through. My attention was called to it by a man by the name of Sickles, as well as I remember now, about an article on Littler. I then asked him what paper it was in and he said it was some days past, and I saw Mr. Stevens and asked him about the article, and he made the statement to me that he had written it.

Q. Was it after that you saw the article?—A. Yes, sir.

Q. Where did you see it?—A. In the New York Sun.

Q. How did you come to find out it was in the Sun?—A. I hunted up the Sun at Willard's Hotel, and I think I bought the Sun and read it.

Q. Did you hunt up the Sun for the purpose of finding that article?—A. As well as I remember it.

Q. You probably did that?—A. Yes, sir; I think I did.

Q. Well, when you got it, you do not know whether you read the article or not?—A. I say I probably did.

Q. And you think probably you did but you are not certain about that?—A. Not absolutely certain.

Q. But you are certain about looking for it?—A. I am. I read the general outlines of the statement.

Q. You are certain about Sickles telling you about it?—A. Yes, sir; I am pretty certain about that.

Q. And you talked with Mr. Stevens and you looked around Willard's Hotel and found the Sun?—A. I do not remember whether it was Willard's Hotel or not, but any way I got hold of the New York Sun.

Q. Did you make quite a little search for the Sun?—A. I do not know that there was much trouble about finding it.

Q. But you found it?—A. Yes, sir.

Q. You are sure it was in the Sun?—A. Yes, sir.

Q. But still you can not remember whether you read that article when you got it?—A. No, sir.

Q. I see here you are asked this question by Mr. Stevens, "Did any of those approached by friends to go into the speculation refuse?" and you replied, "Yes; Senator Cullom for one declined to allow any of the silver to be carried for him." Did you make such a statement as that?—A. I did make that statement.

Q. From whom did you derive that information? A. I forget my exact language, but I think I stated to Senator Cullom that if he wanted to buy some silver—and he sat down on me right away——

Q. Who told Senator Cullom that?—A. I think I did; not in that language, you understand. I simply stated to him I was interested in a silver pool—I do not want to be understood that I stated exactly that, but I simply stated to him I was interested in it, in the purchase of silver, and it was my opinion that a number of the rest of them were interested in it; but he gave me no opportunity to go further, and he said positively then and there that he never had speculated a dollar, and under no circumstances would he speculate a dollar. I told him I simply wanted him to understand the spirit in which I made the remark, and I think that ended the conversation.

Q. But you started to say that Senator Cullom positively sat down on you, or on the proposition, or something of that kind?—A. I do not know whether I did or not. If I did I want to correct that. I mean to say that is the purport of the language.

Q. He was pretty emphatic?—A. Yes, sir; he was very emphatic about it.

Q. Well, you say here, "Senator Teller was another who would not purchase." Did you state that to Mr. Stevens?—A. I think probably I did.

Q. Have you any knowledge that Senator Teller was offered any silver by any person?—A. Yes, sir.

Q. You have personal knowledge?—A. I have no personal knowledge; Mr. Taylor told me so.

Q. Who told you?—A. Mr. Taylor.

Q. What Taylor?—A. The gentleman I referred to awhile ago, who is in Colorado.

Q. What is his first name?—A. Charley Taylor; I forget his initials.

Q. He told you it was offered to Teller?—A. He said that Senator Teller could have gone into it, but he would not go into anything of that kind, or something to that effect. It was in a general conversation; it was not bribery or reflection upon anybody.

Q. Simply an offer to carry silver and put up margins? Did Mr. Stevens ask you, "How about the House?" and did you say, "Well, Joe Cannon didn't get any?"—A. I understood it from the same source I gave about the conversation, Mr. Donald, and these other people.

Q. You did not offer Cannon any?—A. No, sir; I did not offer anybody any.

Q. You did not offer any to Senator Cameron?—A. I did not offer any; I simply stated that I was in silver myself, and also referred to the fact that I heard one or two other gentlemen speculated in it.

Q. You did not make any statement to Mr. Cannon about it?—A. No, sir; I never spoke to him in my life.

Q. "Grosvenor, of Ohio, was left out, too." Did you make a statement of that kind to Mr. Stevens?—A. I think I did, probably.

Q. Did you have any information with reference to Mr. Grosvenor being left out?—A. I had understood from conversations in New York

with Mr. Donald that Mr. Grosvenor was opposed to silver and did not speculate in it.

Q. Donald said that Grosvenor was opposed and did not speculate?—A. Yes, sir.

Q. "The silver men picked out a few fellows who would be useful, or to whom they wanted to do a good turn, and let them in on the ground floor." Did you make such a statement to Stevens?—A. Yes, sir, probably; I think that is my exact language, but I never saw the article, as I said before—

Q. You have explained that. I think you have gone into that very fully and we will not go back to that. By the way did you make any suggestion to any other Senator or Representative similar to the one you made to Senator Cullom?—A. I do not remember, but I do not think I did.

Q. How positive are you about that?—A. Well, I am quite positive.

Q. That is language that would not be apt to dwell in your mind any great length of time?—A. I will say positively I do not think I did.

Q. That is language you would be likely to forget, a trifling instance like that any way.—A. Not necessarily, sir.

Q. Are you able to say positively you did not?—A. I think probably I can.

Q. Do you say so, or do you only think probably you can?—A. I leave my language just as it is.

Q. That does not amount to anything, "I think probably I can."—A. Well that is all you can get.

Q. You can not state any more definitely than that?—A. That is all I am prepared to state.

Q. "The silver men picked out a few fellows who would be useful, or to whom they wanted to do a good turn, and let them in on the ground floor." Did you say anything of that kind to Stevens?—A. I have stated language which might be taken to that effect.

Q. Did you tell him they had picked out a few men who would probably be useful?—A. I guess I did. I do not remember the conversation that I had with Stevens, but I was in a jocular mood in the first place, and then we talked for some time about the thing, how I got the information—

Q. In the first place this whole thing was a joke—A. No, sir; you misunderstand me. That Mr. Stevens had commenced in a business conversation, and at times I went on and made this statement to him on the basis of the knowledge I have given the committee thoroughly and fully, and I am ready to substantiate what I say at any time in a court where I can have fair play.

Q. "The silver men picked out a few fellows who would be useful." From whom did you get the information of that kind?—A. From the same source I got this other information.

Q. From whom was that?—A. Mr. Cunningham and Mr. Donald in a general way.

Q. What did they say to you on that subject—you need not bring in any name of any member of the House or Senate; what did they say on that subject in regard to men who would be useful?—A. The names of three or four men, probably a number I think, who would wish to speculate, liable to be on the fence, and they would like to have them in the pool.

Q. They stated they were on the fence and they would like to have

them in the pool?—A. In other words it would be necessary to interest them in speculating or otherwise for them to become interested.

Q. I suppose by being on the fence that they hadn't made up their minds definitely on the silver question, and they would like to see them in the pool?—A. Like to see them in favor of silver.

Q. And they would let them in on the ground floor?—A. I can not remember the exact language.

Q. That they would like to get them in the pool?—A. That they would like to unite in a business way if they could.

Q. "And let them in on the ground floor," I suppose furnish margins if they went in it?—A. I suppose so, if they wanted money loaned to them.

Q. Did they speak of any other fellows except those on the fence?—A. I think a number of them were spoken of.

Q. This is all understood to be on the fence spoken of?—A. No, not necessarily; that there were some men against silver they would like to see in favor of it.

Q. Some men were even against silver whom they would like to see in favor of silver?—A. As a matter of course.

Q. And some of those who were against silver they would like to give them a chance to speculate in silver and let them in on the ground floor?—A. In other words, they could get in if they wanted to; I will put it in that language.

Q. That they would like to let them in on the ground floor?—A. I stated they could get in if they wanted to; there is no secret about it.

Q. Why certainly not. What object did Donald tell you he had in letting them in?—A. The evidence I have just explained.

Q. Will you explain it again; I did not understand you?—A. No, sir; I have given that testimony fully.

Q. I do not think you did explain it. Well, we will not quarrel about it; answer the questions.—A. Put the question again and I will answer it.

Q. Will you tell me what object Donald said they had in getting them in?—A. It was for their influence and prestige, no matter what their position was as to the legislation looking forward to the passage of the free coinage bill.

Q. And he thought if they became interested in silver speculation they would be apt to take that view of it and give their influence in favor of free coinage?—A. I so understood.

Q. Notwithstanding some were on the fence and others who were actually opposed to it at that time?—A. I will not answer until I understand that question.

Q. You wish the question read over?—A. Yes, sir.

The stenographer read the question as follows: "Notwithstanding some were on the fence and others were actually opposed to it at that time?"—A. My understanding was, even if they were opposed to it and a man saw an opportunity to make money by purchasing on a margin that he could easily obtain the money on a note; that is my answer to that.

Q. And they wanted to give him that opportunity so as to have his influence in favor of free coinage?—A. You can construe that to suit yourself.

Q. You construe it yourself, I am simply repeating what you testified to a moment ago substantially.—A. I do not think I testified exactly that way. If you turn back and look at the testimony you can refresh my memory.

Q. Did not you testify the expectation was, if they became interested in silver, that the idea was they wanted to get their influence in favor of silver?—A. Yes, sir; I would simply substitute this answer for the other.

Q. All right, and that the object in letting them into the speculation—A. I will put that in different language, I will say one of the objects.

Q. I do not object to that—one of the objects of letting them into silver speculation was that their influence should be cast on the side of free coinage, the dollar of our daddies, etc.?—A. I so understood it; yes, sir.

Q. Now we will recur to the question you did not want to answer a moment ago, which perhaps you will answer now, that their influence would be given in the interests of free coinage after they were in this speculation, although up to that time they had been on the fence or even opposed to the same?—A. No, sir; if you make that question shorter I will try to answer you correctly.

Q. I think you have answered in effect that question a good many times and I will not press it further. Does not this come down to the original proposition we had a few moments ago, when you thought different, and did you not tell Mr. Stevens in substance what appears to be printed in the St. Louis Globe-Democrat:

No Senator or Representative was offered as much as a dollar to vote for a silver bill. Some of them were shown how they could make a little money by speculating on the rise of silver, which was sure to follow the passage of a favorable bill. They were approached through friends who were in the pools.

Now, for instance, you approached Senator Cullom and of course he rejected it.

These friends offered to let them into a good thing—

Donald, for instance, and these people he talked about.

Several Senators and Representatives put in their money and took a few thousand ounces apiece. If silver went up they were to have the profits. If it didn't go up, they were to get nothing. About \$250,000 was put up to get the silver which was bought and carried for those Senators and Representatives who did not invest their money. Of course this \$250,000 was not spent or lost. Those who raised it got it all back, less interest and commission. The Senators and Representatives for whom the silver was bought got the profits.

Did not you state that in substance to Stevens when you refresh your recollection?—A. I will answer that as I answered that just now. I substitute the same answer for it.

Q. What was the answer, I have forgotten it?—A. If the stenographer will read—

Q. You seem to have it in mind.—A. If the stenographer will find it and read—

Q. But you can answer it again.—A. I decline to do it.

Q. You can not give a different answer from what you gave before?—A. No, sir.

Q. Well, I will not spend any more time on that. "The silver speculation has been handled mighty well, I tell you." Did anyone else besides Donald tell you about letting these men in on the ground floor?—A. No, sir.

Q. He was the only one who talked about that?—A. Yes, sir.

Q. Did he tell you he had offered to do anything of that kind?—A. I can not remember his exact language.

Q. You can not give me any information on that beyond what you have given?—A. No, sir.

Q. "The men were in it were close mouthed." Did you make that statement to Stevens?—A. I think I did.

Q. "They didn't go around scattering money or pointers either." Did you make that statement?—A. I probably did; I think possibly I did.

Q. "I will give you a little story to illustrate this: A certain Senator went over to New York while the silver bill was pending. He drew \$200,000 through Wells, Fargo & Co. to carry his silver. That night Ed. Stokes went up to the Senator's room in the Hoffman House and asked him what he thought of the prospect of favorable silver legislation, and whether silver was a good thing to buy at the market price. The Senator replied: 'It is dangerous, Ed.'" Did you state that to Stevens?—A. I think I did, possibly.

Q. From whom did you get that information? Of course you knew nothing about it yourself?—A. No, sir.

Q. From whom did you get that information?—A. I do not think I had that information exactly as it reads there.

Q. Did you get any information like it from any person?—A. I did.

Q. From whom?—A. I got that information from a statement made that a Senator had drawn \$200,000 and presumably for the reason of speculating in silver.

Q. From whom did you get that?—A. From Mr. Donald.

Q. Then the story about Ed. Stokes, whom did you get that from?—A. I think that Mr. Cunningham told me that Ed. Stokes had asked the gentleman about silver and he replied to it he was doubtful about the outcome of silver. That statement there may be exaggerated or extravagant.

Q. Who exaggerated it, you or Stevens?—A. I do not remember my exact language, but probably I made it; that \$200,000, as I stated, was drawn, so I was informed, and that Mr. Stokes did speak to him and he said he was doubtful as to the outcome of silver. That is another portion of the interview that, if I had seen it, I would have asked him not to publish.

Q. The statement about Ed. Stokes came from Cunningham?—A. Yes, sir.

Q. You are positive about that?—A. Yes, sir.

Q. And the other came from Donald?—A. Yes, sir.

Q. You heard it from no one else?—A. I think not.

Q. This is the Ed. Stokes you understand to be the proprietor of the Hoffman House in New York?—A. Yes, sir.

Q. The question is asked, "Has most of the 40,000,000 ounces been unloaded by the pool." And the answer is, "Only 50 per cent. of it. Some of the holders have been letting go gradually. A good deal is tied up by agreement not to sell until the price reaches 126." Who did you get that information from?—A. From the same source.

Q. Donald?—A. The same source.

Q. From Mr. Donald, you say the same source, and you have stated three or four different men and said that parts of this came from one and parts from the other. Do you mean Mr. Donald now?—A. Yes, sir.

Q. "Some of the contracts prevent any selling until November or December. The pools are so well organized that there is no danger of overselling and breaking down the price. The profit, as the investment stands to-day, is twenty cents an ounce or \$8,000,000. It will be better than that for some of the pools when they settle." Did you make that statement to Stevens?—A. I think I did, as based on the estimates

of the highest profits that could be made on the transaction when the silver changed hands.

Q. "Was there any Missouri Representatives on the list for whom silver was carried by the pool?" The answer is, "Yes; one. I think they carried 10,000 ounces for him. That would give him a profit of \$2,000." "Was he a Democrat or a Republican?" And the answer is, "a Democrat." Now, from who did you derive that information?

Mr. PEEL. First, did you tell Mr. Stevens that—did you make that statement in the interview?—A. I made the statement to him, which is substantially correct, possibly not in the same language.

Q. But substantially correct?—A. Yes, sir; from the same source.

By Mr. PAYNE:

Q. Whom did you get the information from?—A. I got it from Mr. Donald.

Q. Entirely from him and no one else?—A. No one else.

Q. "One of the Republican members, I understand, was told of what he could have done for him, but he would not touch it." Did you make that statement to Stevens?—A. I can not detail my conversation exactly. There was something said which was in the range of that statement and I guess I made that.

Q. You mean you stated to Mr. Stevens that one Republican Representative you understood was told of what he could have done for him and that he would not touch it?—A. Yes, sir.

Q. From whom did you get your information as to that?—A. You mean from Missouri?

Mr. ROWELL. Who gave you the information?

By Mr. PAYNE.

Q. I did not name the Representative, but I want you to give the information?—A. Mr. Taylor told me that, I think.

Q. This gentleman who is out at the mine in Colorado?—A. Yes; as well as I remember, but I am not positive about that.

Mr. OATES. When?—A. During the summer time.

By Mr. PEEL:

Q. Is that the same Taylor you spoke of, Charles Taylor?—A. Yes, sir.

Q. When did he tell you these things about a Republican member, for instance, which has just now been spoken of?—A. I think it was in July, but am not positive.

Q. Since last July?—A. Yes, sir.

Q. Here in Washington?—A. Yes, sir.

Mr. PAYNE. Did you have more than one conversation with Mr. Taylor?—A. Yes, sir; a number of them.

By Mr. PEEL:

Q. Was that the last one you alluded to or the first one in July?—A. I think it was one between the last and the first.

Q. You talked to him several times?—A. Yes, sir; several times.

By Mr. PAYNE:

Q. "I don't know of but one Missouri Representative who was on the list of those carried."—A. One Representative?

Q. Yes.—A. I think I did speak of that, but I am not positive on that point now. I am not sufficiently positive to answer that as I understand your question.

Q. "Representative ———, of New York, I expect, made more than

any other member of the House on the deal. He got a barrel full out of it." Did you make such a statement as that to Mr. Stevens?

Mr. PEEL. Was that one of the extravagances or exaggerations?—

A. That is an exaggeration; I will acknowledge that.

By Mr. PAYNE:

Q. On whose authority did you make that statement?—A. On Mr. Donald's authority.

Q. Did he tell you that?—A. Yes, sir.

Q. Did you have any other authority besides his for making that statement, or any other information?—A. None, sir.

Q. Did Donald give you the name of that Representative?—A. I do not think he gave me the name.

Q. Did you give the name to Mr. Stevens?—A. I think probably I did.

Q. But Donald did not give you the name?—A. He gave me to understand what the name was. He talked over other men, and he says, "This fellow is a friend," that is, he gave me the name, but not from a direct question, but told me that "This fellow was a friend."

Q. Then Donald did give you the name?—A. Yes, sir; in substance, and to that effect he gave the name.

Q. "Then there were two Californians, two of the Illinois delegation, one Kansas man, and two Iowa members that I remember now on the House list." Did you tell Stevens that?—A. I think I did.

Q. Where did you get the information on which that was based?—A. From the same source, from Mr. Donald and what information we had of purchases made in New York and what had been reported to me by brokers——

Q. Did you get any information on this subject except what Donald told you?—A. No, sir; no direct information.

Q. "I think that there were not more than 15 Representatives who were taken in." Then the question is asked, "Republicans or Democrats." And the reply is, "Republicans, most of them of course. What did we want with the damn fool Democrats. They were bound to vote for what we wanted, anyway." Did you make that statement to Mr. Stevens?—A. I think I probably did.

Mr. OATES. What are your politics?—A. I am a Democrat.

Mr. PAYNE. Are you that same kind of Democrat you describe here?—A. No; but I should think you belonged to that class of Republicans.

The Chairman motioned to the witness as if to silence him.

The WITNESS. Well, if he gets personal about it I think I should have the right to reply.

By Mr. PAYNE:

Q. I am very glad to have your opinion and I feel very proud of it. "There were one Southern and three Western Democrats among the Senators who had silver carried for them." Did you make that statement to Stevens?—A. I do not remember the exact language, but I think I possibly did.

Q. On whose authority?—A. The same authority.

Q. Did Mr. Donald state that to you in substance?—A. Yes, sir.

Q. "All together there were twelve Senators I know of who made good stakes out of the rise of silver." Did you state that to Stevens?—A. I stated that in the same sense and spirit and language I did about the deals and selling out of the silver if it had been sold out when it was at the highest price.

Q. In other words, you had no knowledge yourself of any Senator who had made any stake out of silver, and it was all from information, was it not?—A. Yes, sir; that same information.

Q. "Did the pool take in any officials in Washington outside of Congress," and the answer is: "I heard that two or three subordinate officials in the Treasury Department were carried for the information they could furnish." Did you state that to Stevens?—A. I think I did.

Q. Where did you get the information on which you based that information?—A. From the same source—Mr. Donald.

Q. Did Mr. Donald state that to you?—A. Yes, sir.

Q. You remember he did?—A. Yes, sir; the substance of that statement, I will say.

Q. "There is a man here from Springfield, Ill., named Littler who got in somehow. He learned of what was going on and got some silver at about 104. But he didn't hold on long enough. When it got up to 107 or 108 he let go. He was not hoggish." Did you state that to Stevens?—A. Yes, sir; I think so.

Q. Did that refer to David T. Littler?—A. Yes, sir.

Q. From whom did you get the information?—A. He told me himself.

Q. He did not make any secret of it himself?—A. I do not know that he did. I asked him if he bought silver and he told me that he had.

Q. Did he tell you he sold it?—A. I believe he did.

Q. "A man named Tracey, from Springfield, Ill., was in too for a small amount." Did you tell Mr. Stevens that?—A. I think I understood Tracey was in.

Q. Did you tell him in substance that Mr. Tracey had been buying silver?—A. I either told him that he had, or probably had, that I so understood.

Q. Who is Mr. Tracey?—A. He is a man whom Mr. Littler gave me the name of. He told me he had associated with him in some business transaction.

Q. He told you Tracey had been buying silver?—A. I think that the statement as to Tracey's buying silver, that I made that statement on what Mr. Littler told me about his purchasing silver and others being with him. There was something said of that kind, but I do not remember the exact language.

Q. Littler did not tell you Tracey had been buying silver, but said that some of his friends were in with him?—A. I think I stated to Mr. Stevens to that effect, but I am not positive as to the exact language, but I used Mr. Tracey's name.

Q. And you say Mr. Littler told you or rather did not tell you that Tracey had been purchasing silver, but you understood it from his saying that friends were in with him. Had you any other information regarding Tracey except that?—A. Yes, I had the information that he was interested with Mr. Littler and some other business, bond business, and I understood him to say Mr. Tracey was interested with him.

Q. Interested with him in silver?—A. Yes, sir; that is my understanding of his remarks to me.

Q. Because he was interested in buying bonds?—A. He told me he was his partner in some bond transactions.

Q. A partner engaged in buying bonds?—A. No, sir; nothing of the kind.

Q. Nothing of what kind?—A. That he was a partner. I think he stated that he and Tracey owned bonds together.

Q. Owned bonds together?—A. Yes; I can not remember the exact language.

Q. From that you inferred that Tracey was in the silver speculation?—A. I so understood.

Q. Littler did not say so, but you inferred it?—A. I am pretty sure he said so, but I am not positive he did. His name was mentioned at different times in my conversation with Mr. Littler, but I can not recall my language to Mr. Stevens exactly, and neither can I with Mr. Littler, but these names were mentioned.

Q. "The ex-treasurer of Illinois, I think his name is Andrews, had about 8,000 or 10,000 ounces. I think, perhaps, they were all in with Littler." Does that refer to Mr. Tanner?—A. I do not know whether that referred to Mr. Tanner or not. I think I stated to Mr. Donald that Mr. Littler had bought silver and that I had understood from him, naming some gentlemen whom I had understood from Littler frequented Chamberlain's, and that they had bought silver, and he gave him the names of those men, or looked them up. He said it was Andrews, as well as I remember.

Mr. OATES. This purports to be what you told Stevens?—A. Yes, sir; I think it was the ex-State treasurer, and after I had seen Mr. Donald the name I remembered getting was Andrews.

Q. Who told you it was the ex-treasurer of Illinois?—A. Mr. Donald, as well as I remember. I probably asked somebody else about it. I never heard of Mr. Tanner until I saw his name in print after Mr. Stevens had testified.

Q. Then who informed you that this ex-treasurer had been buying silver to the extent of 8,000 or 10,000 ounces?—A. Mr. Donald gave me that information.

Q. That did not come from Littler?—A. No, sir; that did not come from Littler.

Q. I think I have gone through with the article with you, and fully covered the entire subject.

By Mr. OATES:

Q. Did Mr. Stevens pay you anything for that information?—A. Not a cent on earth; no, sir. It was just a conversation I had, and we had laughed over what we had supposed to be our success in New York. I came either that day the conversation occurred, or shortly afterwards, from New York, and we talked over the possibility of what the profits might be. That is the exact situation.

Q. How long have you known Mr. Stevens?—A. I have known him for 5 years and regarded him as a personal friend for 4 years.

Q. Intimately acquainted with him?—A. I do not know I should say I was intimately acquainted with him, but I will say I regard him as a friend. I put it in that language, a social friend.

By Mr. PAYNE:

Q. You were here in the forepart of the testimony?—A. Yes, sir.

Q. When did you leave Washington?—A. I left Washington I think it was the day before Christmas.

Q. Before Christmas?—A. Yes, sir.

Q. The week before?—A. No, the day before Christmas.

Q. Where did you go from here?—A. I went to Chicago.

Q. And where then?—A. I went farther west, in various places.

Q. Well, where?—A. Summerdale for one.

Q. Where else?—A. That question—I have no hesitation in answering—

Q. Very well, answer it.—A. With one exception, I went off on private business to one or two places for the firm, and I do not want to answer on that account, but I will say the majority of the time I have been in Chicago.

Q. Have you been in Utah?—A. Utah Territory. No, sir; I have not.

Q. Salt Lake City?—A. I told you I had not been in Utah Territory.

Q. Have you been in the vicinity of Utah Territory?—A. No, not in the immediate vicinity.

Q. Have you been to any silver mine in any Western State or Territory?—A. No, sir.

Q. Did you tell Mr. Stevens that you were going to Utah and that your address would be Salt Lake City?—A. Yes, sir, and had my mail sent there.

Q. And that you were going to run a mine there?—A. Yes, sir.

Q. And you did not go there?—A. No, sir.

Q. But stopped at Chicago?—A. Stopped at Chicago.

Q. And that has been your main place of residence since?—A. Yes, sir, and has been since.

Q. Where did you stay in Chicago when you first went there?—A. I stopped at the Hotel Richelieu.

Q. Up to what date did you stop at the Hotel Richelieu?—A. I do not remember the date. The time I went up to Michigan and sent the telegram, I staid there until the date that I notified—I do not remember exactly the date.

Q. Notified by whom?—A. Mr. Parsons notified the Sergeant-at-Arms I was not there, that I had gone to Michigan.

Q. Were you there when you sent a telegram to Mr. Stevens, the first telegram after his evidence, dated from the Hotel Richelieu?—A. I think I was. I am not positive. I sent Mr. Stevens two or three telegrams, and think I sent them from the Richelieu Hotel.

Q. Were you there when you wrote this letter referred to, which was dictated and gotten up in a lawyer's office and signed by you?—A. Yes, I think I was; yes, sir. I am positive about that.

Q. This is on the 19th of January?—A. I think I possibly was there.

Q. Did you leave there on that day?—A. I left there I think that night—that evening or that night. No, I did not. I remained there the next day or so. I was in and out of town, going in and out all the time.

Q. You think the next day you left. Did you leave in the evening?—A. Possibly I did, but I am not sure.

Q. It is not such a great while ago that I think you might answer a little more definitely. Did you leave that evening? You can answer more definitely; can not you recollect?—A. I stated I thought I left in the afternoon or evening.

Q. You are positive it was afternoon?—A. Yes, sir; and returned the next day as well as I remember.

Q. When you left that afternoon did you leave word with anyone at the hotel where you had gone?—A. No, I did not, as well as I remember.

Q. Did you leave word at the hotel that you were going to Buffalo and Toronto?—A. To Buffalo and Toronto?

Q. Yes.—A. I think I told them I was going to Detroit and Toronto and probably from there to Buffalo.

Q. You think you did tell them that?—A. I think so.

Q. Where did you go?—I went out to Mr. Field's, out to Summerdale.

Q. Mr. Field who lives in Chicago?—A. He lives—I do not know whether you call it inside the city or not——

Q. Well, the suburbs of Chicago?—A. Yes, sir.

Q. Is he a member of the firm of Field, Weicher, etc.?—A. Yes, sir.

Q. You say you went to Summerdale; is that near Chicago?—A. I think it is about 30 or 40 miles from Chicago.

Q. Did you go to Detroit?—A. Not at that time; no, sir.

Q. Or Toronto or Buffalo?—No, sir; Mr. Weicher went in my stead.

Q. What did you do at Summerdale?—A. That is personal and private business for the firm and myself.

Q. You do not want to answer because it was personal and private business?—A. No, sir; not that I do not want to state where I was.

Q. Do you want to leave it in that way, that it was personal and private business?—A. Not that I was hiding from anybody.

Q. When did you return to Chicago?—A. The next day I think; yes, sir; I think I returned the next day.

Q. You did return the next day?—A. Yes, sir.

Q. Where did you go then?—I remained in Chicago.

Q. Where in Chicago? It is a large place.—A. I went to the Hotel Richelieu.

Q. Did you put up at the same flats?—A. No; I moved next door or the second door farther, but I went there to get my meals and to get my mails.

Q. Where are these flats?—A. They are either the first or the second door from the Richelieu.

Q. What is the name of these flats?—A. Beauravarge. The Hotel Richelieu, next then comes the annex, then the Beauravarge Flats. I got my mail and I was in and out there and got my meals.

Q. When did you move your belongings from the Hotel Richelieu?—A. The evening I returned from the suburbs of the city.

Q. You went to these flats?—A. Yes, sir.

Q. And you remained there down to the time the Sergeant-at-Arms came to see you?—A. No, sir; I was in the office generally of the Western Manufacturing Company.

Q. But you lived at the flats.—A. I lived there but I took my meals a part of the time at the Hotel Richelieu and part of the time——

Q. When was this subpoena served upon you?—A. The subpoena was served in the dining-room of the Hotel Richelieu, the dining-room, the café.

Q. What day was that?—A. Now I could not tell you that.

Q. Was it before or after you went to Summerdale?—A. It was after I removed my baggage down to the Beauravarge.

Q. Down where?—A. To the Beauravarge.

Q. It was after that?—A. Yes, sir; it was after I came back.

Q. It was the next day after you returned?—A. No, sir; I had been there one or two days; I disremember.

Q. And you were in the restaurant of the Hotel Richelieu when the subpoena was served upon you?—A. Yes, sir.

Q. It appears to have been on the 22d day of January?—A. Well, probably I do not get the date exactly. I can not fix all these dates, because I have had a great deal to do, and I have been very busy.

Q. It was served by the deputy sergeant-at-arms, Mr. Forsythe?—A. It was by a man who claimed to be the deputy.

Q. When did you first tell him that you would require your fee?—A. Right then and there.

Q. When he served it?—A. Yes, sir; I told him I did not want to go; that I was in business, and interested in business and my salary, and I did not want to go, and I took advantage and demanded my constitutional rights, mileage and fees in advance, to which I was entitled legally.

Q. Now, in point of fact did you say anything about mileage until the following day?—A. I did right then and there.

Q. As soon as he served it on you?—A. Yes, sir.

Q. Are you positive there is no chance of a misrecollection about it?—A. I demanded fees and mileage for which I was legally entitled to demand, and I told him I availed myself of all my constitutional rights and privileges.

Q. This was when he served the subpoena?—A. Yes, sir; Mr. Forsythe will testify, I think, and his report will show that.

Q. Well, we will see what he testifies to when he comes. Of course he did not pay these?—A. No, sir; he said he was not prepared to do it.

Q. Now you received some telegrams a few days before that from the Sergeant-at-Arms?—A. Yes, sir; I was telegraphed after, yes, sir; I received telegrams.

Q. From the Sergeant-at-Arms?—A. Yes, sir.

Q. How many?—A. I think there was only one as I remember.

Q. Requesting you to come or asking if you would come on the payment of your fees or what?—A. Asking me if I would accept that telegram as a summons. He summoned me as well as I remember.

Q. He asked you if you would accept that as a summons?—A. He said he wanted an answer whether I accepted that as a summons.

Q. That was several days before you were subpoenaed?—A. Yes, sir.

Q. Did you find time to answer that telegram?—A. Mr. Carlston answered that for me.

Q. When?—A. I think the same evening.

Q. Who is Mr. Carlston?—A. He is the manager of the Hotel Richelieu; he is next to the proprietor.

Q. Did you ask him to answer it for you?—A. I did.

Q. What answer did you request him to send to the sergeant-at-arms?—A. I stated that if any telegrams came as a summons for me to reply that I had gone to Detroit or Toronto, I think, probably, or to answer it the best way he could, and to use his best judgment. He told me he answered it.

Q. You did not want to come?—A. No, I did not.

Q. Were you present when Mr. Carlston wrote that telegram?—A. I may have been in the house, but I do not remember. He told me in substance what he said, but I did not read the telegram.

Q. He telegraphed you had gone to Buffalo or Toronto, did he not?—A. Yes; so he told me.

Q. And you went away so he could telegraph that?—A. Yes, sir; that is the size of it.

Q. And that is what you asked him to telegraph?—A. Yes, sir; I told him I didn't want to go, and to use his judgment about it.

Q. Did not you write that?—A. I did not.

Q. Did not he write that on your dictation in your presence?—A. No. I told him in substance what I wanted telegraphed, and to use his own judgment.

Q. What reasons did you have for changing your room from the Hotel Richelieu to the flats?—A. One thing is I gave a dollar a day for the one, and the other I gave three; and another thing, the news-

paper men, everybody, was coming in there and seeing me and talking about me, and talking over the silver investigating committee, and my name was invariably mentioned, and I did not care to be picked out as a stare by anybody and criticised by them. I did not want to be talking to every one who came.

Q. What measures did you take for your protection from newspaper correspondents when you went into this restaurant of the hotel?—A. It was not exactly protection from newspaper correspondents as it was from the gaze and stare of idlers and men who loaf around hotels.

Q. It embarrassed you, I suppose?—A. I did not like it; I was not stuck on the thing.

Q. Under whose name did you go while living at the flats?—A. By the people of the place, you mean?

Q. Anybody?—A. Oh, the lady and her brother who run the flats and the girl knew me.

Q. Did you give the name of Williams?—A. I told Mrs. Hill and her brother to give the name of Williams to anybody who came to call for me, with the exception of Mr. Field or some one from the Richelieu, and especially the newspaper men until after I knew who they were; that I do not want to be worried and to talk about the matter.

Q. You told them to give the name of Williams to any representative of the sergeant-at arms who might come?—A. No, sir; I did not.

Q. Did anybody except the member of your firm, Mr. Field?—A. There was Mr. Gardener, of the Post, and also a representative of the Tribune, I think.

Q. You did except two newspaper representatives?—A. I think I did.

Q. And those you were willing to see. Are you sure about that?—A. Yes, I think that is right. I am positive. Yes, sir, I think that is right.

Q. You expressed a willingness to the newspaper representatives to testify, have you not?—A. Not before this committee.

Q. But before some other tribunal that has no jurisdiction whatever?—A. I do not know whether it has or not.

Q. You did not want to testify before this committee, and now you give as a reason that you wanted to testify before somebody who had the power to send for persons and papers?—A. I think I stated that they would send for persons and papers.

Q. You knew, of course, this committee had power to send for persons and papers?—A. I did not understand that they had sent for persons and papers. But a few years ago they locked a man up here for not testifying, and he had a suit against the Government or the Sergeant-at-Arms, and received twenty or thirty thousand dollars.

Q. You had found out all about that?—A. I had.

Q. And for that reason you thought you were not obliged to come?—A. I did not think I was obliged to come; no, sir.

Q. Well, you thought it was better, on the whole, to keep out of the way of the Sergeant-at-Arms?—A. I sent a telegram both to Mr. Stevens and Mr. W. E. Mason, who is a member from Illinois, asking him to state to the Speaker and the chairman of the committee that if they would provide me with mileage to come with that nothing further would be necessary, and that I would come.

Q. Well, they finally paid your expenses here and furnished you with company, too?—A. Yes, sir; very pleasant company, too.

Q. You are here now?—A. Yes, sir; I am with you.

Q. Whose papers were they that you had such an intense desire to have brought before this committee?—A. I would like to have banking-

house papers and books. I do not think I expressed a desire to have them brought before this committee, but I said before the courts. You will find I did not express any desire to have them brought before this committee.

Q. You did not care about having them brought before this committee, but you wanted them brought before a court?—A. Yes, sir.

Q. Why did you want them to go before a court instead of this committee?—A. For the simple reason I think a court would deal more justly and legally than the committee would.

Q. Then it is lack of confidence in the committee?—A. Yes, I will say it is lack of confidence in the committee, and the reason for the lack of the confidence is that I never have heard of a committee ever doing, any investigating committee ever having any very fine record, never making any fine record.

Mr. PEEL. They are not very successful?—A. No.

By Mr. PAYNE:

Q. And your idea is it was a general lack of confidence in committees?—A. Yes, sir; and I think the public generally has that.

Q. You do not mean to be personal to this committee, but general?—A. Oh, general.

Q. And you are desirous whenever this case is investigated to have a fine record made?—A. Well, yes, as long as I have been forced to testify myself, and not allowed to give names and statements and persons, I would like to be able to be in a court where I could use the names, and, I will state to you frankly, where I could ask for summons to be issued and books and explain the circumstances, and I think if I had that with a good attorney that that would come out, and a good deal of my statement in the article which was published would be borne out; not all of it, but a good deal of it.

Q. I suppose you are aware of the fact that no court would ever allow a witness to state matters which you want to state on hearsay; you are aware of the fact that no court allows evidence on hearsay?—

A. I testified in the United States district court in Denver—

Q. Then you are somewhat posted?—A. And before the district court in other places, and whenever the prosecuting attorney or one of the attorneys asked for a summons to be issued and the books and papers to be brought in which he stated bore on the case, Judge Hallett always sent for them, and there was not anything smothered about it, either.

Q. Certainly. The trouble is you are judging this committee in advance. They may make a fine record.—A. I think, from what the press has said about the committee and my knowledge and the general impression, I am justifiable in forming that opinion.

Q. You have got your idea, your lack of confidence, from what you have gathered from the press?—A. Yes, sir; and my general lack of confidence in politicians, so to speak; not with any personal disrespect to you gentlemen.

Q. Of course your statement in that respect appears to have been entirely, almost entirely, based on hearsay, and I believe that you were induced to believe those statements largely on account of your lack of confidence in politicians?—A. If you will explain that question to me I will try to answer it.

Q. I do not think I will spend much time in explaining it. As I understand you, the fact is that the only man in Congress whom you approached with the proposition to buy silver sat down on the proposition

with a great deal of energy?—A. If you call it a proposition so to speak.

Q. Well, the intimation?—A. Well, an intimation.

Q. The only man you had any personal knowledge of repudiated the whole transaction?—A. That I had spoken to myself, yes, sir.

Q. Or had any personal knowledge?—A. Yes, sir; that is right; other than the information I have given here.

Q. Did not your entire statement from beginning to end in reference to this matter rest entirely on information which other people have given you?—A. It rested entirely with the information I have given here as the testimony shows.

Q. Entirely upon that and nothing beyond that?—A. That I call to mind now I think that is all.

Q. And you have now stated to the committee all the sources of information that you have on this subject?—A. I think I have stated all the specific information I have. I can not recall anything to my mind at present.

Q. Have you any letter or written statement in your possession from any Representative or Senator referring in any manner to the buying or selling of silver certificates?—A. No, sir.

Q. Have you any letter or telegram or other paper in your possession from any of the parties you have named as being interested in silver, except what you may have from Mr. Donald, on the subject of buying or selling or dealing in silver or silver certificates?—A. In my possession at the present time?

Q. No, in your possession here or in Chicago or elsewhere?—A. I can state that positively; I will say I have nothing that gives any more information than this I have from Mr. Donald.

Q. You have not then given any more information than this you have already presented to the committee and which we read here yesterday?—A. I think that is right; yes, sir.

Q. How came you to single out and bring with you those telegrams and papers which you brought here this morning?—A. Why I took these out to show to one of the firm I was interested in, I may say, in Chicago, and had them in my pocket when the Sergeant-at-Arms notified me he must come in 30 minutes and I did not know I had them until I had been on the train some hours.

Q. Did not you take them out to show them to your attorneys because they were the only letters or papers which you had in your possession that in any manner bore out the statements which you have made either to Mr. Stevens or to this committee?—A. No, I think not. I took them out because I wanted to show them to my attorney, and they were the only ones I found at the time. I wanted to show him the Donald correspondence, and searched to see if I could find any more.

Q. Were these the only ones you could find of the Donald correspondence?—A. I think they were; I think they were all I found.

Q. Did you look through the papers in your possession relating to the subject for that purpose?—A. Yes, sir; I believe I did; I think I can answer that; yes, sir.

Q. Are you able to state how much money you drew through the Bank of the Republic on the Hanover National Bank altogether?—A. I think to the best of my knowledge it is between \$800 and \$900; it is in that neighborhood.

Q. Did you draw as much as \$800?—A. I think I did; I am not sure of that.

Q. Through the Bank of the Republic on the Hanover National Bank

of New York?—A. Yes, sir; their books will show it is in the neighborhood of that. I will not be positive about that.

Q. This morning you felt a little delicate about stating the name of the person who had furnished you information which you had transmitted to Donald; will you give that name now?—A. I think I did give that name.

Q. I think not.

Mr. PEEL. You said you would see the person and let us know. I think you declined to give it and wanted to confer with him. I believe you said you did not get a bill, but got what was to be in the bill.—A. What he thought would be in the bill.

Q. Information which you obtained that you did not want to disclose the person who gave it to you; will you give the name?—A. I think I did.

By Mr. PAYNE:

Q. Who was that?—A. It was Mr. Weitman.

Q. What is his name?—A. W. B. Weitman.

Q. What is his business?—A. I do not remember what he was doing at that time.

Q. Was he a clerk to any Senator or any committee?—A. He is not a clerk to any committee.

Q. To any Senator—private secretary?—A. I think he was.

Q. To what Senator?—A. Senator Hearst.

Q. Do you know Mr. W. O. Payne, the clerk of the House Committee on Coinage, Weights, and Measures?—A. I may know his face, but I never talked—

Q. But do you know the clerk of that committee?—A. No, I do not. Is that Mr. Conger's committee?

Q. Yes.—A. I was in his committee room once or twice and talked to the clerk, but I never asked his name.

Q. Did you tell Mr. Donald that you had obtained information from the clerk of that committee?—A. I told him I obtained information, but did not tell him from the clerk of that committee.

Q. You are sure you did not tell him you got it from the clerk of that committee?—A. I am sure.

Q. You never told Donald that?—A. I never did.

Q. You are positive, are you, about that?—A. I am quite positive.

Q. Did you ever get any information from the clerk of that committee?—A. No, sir; nothing that anybody else couldn't get.

Q. Nothing except public information?—A. Nothing except public information, as I understand it.

By Mr. OATES:

Q. I understand you to state you have no personal knowledge of any Senator or Representative in Congress or official of the United States Government being engaged in the purchase of silver bullion or certificates representing it at any time?—A. Nothing more than information.

Q. Personal knowledge, I said?—A. I do not understand your question.

Q. Have you any personal knowledge that any Senator or Representative in Congress or any other official or representative of the United States Government has engaged in speculating, buying or selling silver bullion, or certificates representing silver?—A. No personal knowledge, no, sir; I have not.

Q. None at all?—A. No, sir; nothing beyond the information I have given you here.

Q. Has any such person ever told you that he was thus engaged in speculating in silver bullion or certificates representing silver?—A. Not that I know of in the Government employ. At the present time you are speaking of personal knowledge.

Q. I asked you if any of them ever told you so?—A. Personally?

Q. Yes. Whether any Representative or Senator or official of the Government ever told you that they were engaged in buying or selling silver or speculating in silver, or ever said so in your presence.—

A. I do not know how to answer that question. If you let me explain to my lawyer here, then I can answer it.

Q. It is a simple question. Did any Senator ever tell you that he was engaged or had any transaction in buying silver bullion or silver certificates, representing it, or in selling the same?—A. No, sir.

Q. Did any Representative in Congress ever tell you that he was thus engaged?—A. No, sir.

Q. Did any other official of the United States Government ever tell you that?—A. No, sir.

Q. Then you have no knowledge of any such thing except what you have heard others say, Donald and others, whom you have mentioned?—

A. Yes, sir; I wish you would let me ask my attorney here a question before I answer that and before this testimony is recorded. I want to make an answer to you and I do not know exactly how to answer that question. I would be very much obliged if you would let me ask him a question.

Mr. OATES. I have no objection.

The WITNESS. All I know is information I derived from others.

By the CHAIRMAN:

Q. And from the sources which you have stated in your testimony?—

A. Yes, sir.

Q. And from no other sources?—A. And from no other sources that I call to mind now.

By Mr. OATES:

Q. Did you invest any money in silver or silver speculation of your own or for any other person?—A. Directly, no, sir.

Q. Did you act as agent for any other person in buying or selling or speculating in silver?—A. Nothing more than I have referred to in my testimony, Colonel; only in the capacity as I referred to and gave in my testimony.

Q. As I understand, you were a member of the pool which Mr. Donald proposed to form for speculation in silver, and that you were to have an equal share without regard to the number of men who were to be in it.—A. That is the first understanding I mentioned. My testimony is correct in that respect all along the line, Mr. Oates.

Q. Did you ever receive any dividends?—A. No, sir; not unless you could call a dividend the money I checked for. I was told that they didn't buy that silver, and there was nothing in it as things had changed, as I stated in my testimony; I can not quote the exact language.

Q. Now, if Mr. Donald were to come before this committee and swear that he never bought or carried any silver for any Senator or Representative in Congress, or engaged in getting up any pool, or realize any profits or benefits from any such thing, then would you say that there was no pool or that the information which you got was never carried into effect?—A. You have strung your question out so that it is a little too much for me.

Q. If Mr. Donald appears before this committee and swears he never formed any pool and never made any investment for anyone in silver or had any such transaction, then would you not say that the information you got from him amounted to nothing, that it all fell through?—

A. So far as I am concerned I would not believe him if he did and that is why I spoke about the books, and you would not believe it if it had been in court where I could have them brought.

Q. You say it was a big scheme, as I understand you, and that one part of the agreement was that he should not buy less than 1,000,000 ounces?—A. That was our first verbal understanding regarding that, and afterwards he asked me what would satisfy me to work nicely and judiciously, what I should get for the information and turn it over to him.

Q. What was your purpose in giving all this information to Mr. Stevens. You knew he was a newspaper man and knew him well; what was your purpose in giving it to him?—A. I had no special purpose. It was not for the purpose of injuring anybody. It was that I felt I had made a good deal of money, and I needed money about that time, and I told him. I had no special purpose. It was not for the purpose of any investigating committee, but simply I was in the mood, and for that reason that I have stated to you, and we had talked it over and figured it up at different times. Mr. Jennings had figured it up and so had Mr. Parsons, and stated to me that silver would probably go to 129, and that it was a pretty good thing, and for that reason I made that statement which I did.

Q. And you believed that money had been made by it and you had not received your share. That is the substance of the complaint, I believe?—A. I did not make that statement to Mr. Stevens. I made that statement to him before I had any complaint whatever with Mr. Donald at all. I had no difference or misunderstanding then. That conversation from which that article is made up was long before I had been left out, so to speak.

Q. Now, this language, "altogether there were twelve Senators I know of who made good stakes out of the rise of silver." Did you say that to Mr. Stevens?—A. I can only answer that in the same way I answered Mr. Payne on that, that I probably did make that statement, and as to that I said if I had seen the article I should have asked him not to publish that.

Q. You used this language, "there were 12 Senators I know of who made good stakes out of the rise of silver."—A. I am not sufficiently positive to answer that question.

Q. Stevens reports it here?—A. I am not positive about that.

Q. "Altogether there were 12 Senators I know of who made good stakes——"—A. If I had seen that interview I should have asked him to withhold that.

Q. Do you say that you now say that statement was untrue?—A. Yes, sir; as far as personal knowledge is concerned.

Q. You have already testified here to having no personal knowledge of any Senator or Representative having made anything in speculation on silver. Then did you state this to Mr. Stevens?—A. It is erroneous; that is what you want me to say, and that is right.

Q. How about each of these positive statements through here where it is positively stated?—A. If there is anything where the language is direct, as I understand what you mean there, it is erroneous and that is why I stated that about Mr. Parsons——

Q. And when you stated that there was one Missouri Representative

who was a Democrat in the pool, you do not mean to state that such was the fact?—A. I stated it on the same information I have already testified to.

Q. And no other?—A. And no other; no, sir.

By Mr. ROWELL:

Q. I want to ask you one question?—A. Yes, sir.

Q. All the knowledge you gave us is possessed also by Mr. Donald?—

A. I do not know what you mean.

Q. All the information you have.—A. Special and specific?

Q. Special and specific, you have given the committee is possessed by Mr. Donald, is it not?—A. No, sir; I think not.

Q. Well, all you reported from him?—A. All I reported and said I got from him I did get from him; yes, sir.

Q. Now, did you understand that Mr. Donald was getting the information in the same way you have given it to the committee, from hearsay, or did you understand that Mr. Donald was in personal communication with the persons and that he knew of his own knowledge these facts?—A. I understood it was personal in connection with some others than myself, and others he knew from extraneous facts, others he knew from association with their business.

Q. You state then that the kind of testimony that Mr. Donald could give would be testimony based upon his personal knowledge and not upon hearsay?—A. As to part of it; yes, sir. The part of testimony I have given; yes, sir.

Q. Did you understand Mr. Donald was acting on behalf of the Hanover bank or that he was acting on his own behalf?—A. I understood from him that he was acting on his own behalf and for other parties, one or two of whom were interested in the bank, I think, but it was not for the bank speculation, but parties who were either personally interested in the bank or did business there.

Q. Did you understand they were using their individual funds or using the bank's credit?—A. Well, I never asked him whether they were using their own funds or anybody else's, and neither did I care; but I think I can say I understood they were using their personal funds, as I remember; yes, sir.

Q. Did you understand from Donald that any of the silver was being carried by the bank of which he was cashier, or being carried elsewhere than in the bank?—A. I understood that some certificates were held as collateral security for some money that had been advanced by the bank.

Q. Now, if Mr. Donald says that he has no knowledge of any person, Senator or Representative, who has had anything to do with any silver transaction, that he never had any such knowledge, that he never communicated any such knowledge to you, do you attribute that to Mr. Donald's dishonesty or to his lack of recollection?—A. Oh, I should attribute it to both.

Q. Both to dishonesty and lack of recollection?—A. Yes, sir.

Q. Did you regard him as honest enough to make you \$35,000 without the scratch of a pen?—A. Yes, sir; I did; because I didn't have anything to make me think otherwise then.

Q. How long have you been acquainted with Mr. Donald?—A. I think I have known him and he has known me probably two or three years.

Q. Have you a banking account with the Hanover Bank?—A. At the present time?

Q. Yes.—A. No, sir.

Q. Did you at any time keep any bank account against which you could draw checks in that bank?—A. No, sir; with the exception that I have drawn——

Q. Were they drawn on money you had on deposit there or drawn on the bank by their consent, not against any money?—A. Drawn on the bank by consent of Mr. Donald and Mr. Hawes, and I think by Mr. Leiter.

Q. Not against money you had on deposit there?—A. Yes, sir; and he told me he would make them good as they came in.

Q. You drew checks by their consent against the bank and Donald was to make them good?—A. Yes, sir; as you will see by the telegram referred to, "Wired Bradley thus and so."

Q. Now, is it a fact that you drew more than one check of \$125 through the National Bank of the Republic at Washington? Is that the only one or did you draw more?—A. Why, I have drawn, I think, a dozen or fifteen; but the bank books will show. There is more than one check.

Q. You have drawn a dozen or fifteen checks on the Hanover National Bank of New York?—A. Yes, sir.

Q. By consent, and not against the deposit of money?—A. Yes, sir.

Q. And the total amount is how much?—A. It is in the neighborhood of \$800.

By Mr. OATES:

Q. Were all these checks drawn through the National Bank of the Republic here on the Hanover National Bank of New York and cashed by them?—A. All that he authorized me to draw.

Q. Were cashed by this bank here?—A. Yes, sir.

By Mr. ROWELL:

Q. You say they are in the neighborhood, as I understand, of \$800?—A. Yes, sir.

Q. And that \$800 was money advanced to you, no part of which you had put in the bank and no part of which you returned. Is that true?—

A. Yes, sir; that is true, I think.

Q. You have received, then, from the cashier of the Hanover National Bank or from the Hanover Bank something like the sum of \$800?—A. I think that is so; yes, sir.

Q. In pursuance of work that you were engaged in for them in Washington?—A. Not exactly for that, but engaged in for Mr. Donald, the silver business.

Q. No part of which money has been returned by you, as I understand?—A. Yes, sir; that is right.

Q. If Mr. Donald says that the only money that he ever paid to you was the sum of \$250, aside from a loan of \$250 for which you gave a note, is that a matter of forgetfulness on the part of Mr. Donald, or is it a matter of which the other persons of the bank had knowledge and of which he had no knowledge?—A. He has knowledge of every check that I have drawn. I do not think I have drawn a check that he does not know of.

Q. Was the note for \$250?—A. I was not sure of that.

Q. Now, the note for \$250, or a larger sum, was an individual note, or were collaterals put up as security for it?—A. The note was given to Mr. Donald personally, and not to the bank, and there was no collateral.

Q. And no security?—A. No collateral; nothing.

Q. No other name on the note?—A. No, sir; I think my name is on the note twice, on the front and back.

Q. It was not given to the bank, but to Mr. Donald?

Q. It was not a bank loan, but a personal loan?—A. I so understood it.

Q. Who introduced you to Mr. Donald, by which you secured a personal loan of \$250, or some other sum?—A. I do not remember who did introduce me to him. I went in there a few years ago on a business matter in the bank, and introduced myself; got acquainted with him in talking over the business matter, which was a money matter, and I knew who he was, and I forget whether I was ever introduced to him directly or not. I am not positive of that.

Q. Then your acquaintance with him did not begin about the time you made this loan?—A. No, sir. It has been some two or three years, I am not positive, but I think it is very near four years since I had my first conversation with Mr. Donald.

Q. You understood that this money which was being advanced to you, this sum of \$800, was being advanced by Mr. Donald and not by the bank?—A. Mr. Donald and those associated with him.

Q. But it was to come through Mr. Donald?—A. Yes, sir; that is it exactly.

Q. And you are quite sure it amounted to about the sum of \$800?—A. Yes, sir; the books will show it down here.

Q. During what month did you draw that money?—A. If you will let me look at the first telegram I can tell about the date; I can tell you anywhere along about the date.

Q. Can you from the memoranda—when did you commence drawing these checks? Was it in the winter or in the spring?—A. I think it was in the winter that the first was drawn or early in the spring; I can not tell.

Q. When did you cease to draw those checks?—A. After the silver bill passed and was approved.

Q. And you drew those checks after the silver bill passed?—A. I think I drew one or two, or may be three, and they were dishonored.

Q. The checks you drew after the 14th of July, after the bill became a law, were dishonored, as I understand?—A. Yes, sir.

Q. You drew them without having telegraphed for permission?—A. Yes, sir; I drew them and then telegraphed that I had drawn.

Q. Did you get money on the checks or did you simply deposit?—A. I got the money on one or two checks and they came back to me.

Q. And you had to pay the money back?—A. Part I paid back and part I was not able to pay, as I explained to the gentleman who cashed them, and told him he would have to hold them for the present time.

Q. Then you did draw some checks without having received authority, which checks were dishonored and which you still have the cash for yourself?—A. No, not which I still have the cash for.

Q. For which you received cash and then they were repudiated.—A. One or two.

Q. Were they cashed by a bank or some individual?—A. By individuals, friends.

Q. Here in Washington?—A. Yes, sir.

Q. The first check had been dishonored and you still drew a second and a third check and received the cash for them and they were dishonored.—A. Yes, sir; I wrote and explained—I could not believe they had been sent back. I wrote or telegraphed that I could not believe that they would be sent back.

Q. Still, after one was returned you drew a second and a third and had them cashed.—A. Yes, sir; but I stated the circumstances to him.

Q. Did you state to your friend that the first check had been dishonored and you expected that the other would be returned?—A. I think I drew on Wells, Fargo & Co., and told them to hold it until the next day——

Q. You say you drew on Wells, Fargo & Co.?—A. Yes, sir.

Q. Had you any authority to draw checks on Wells, Fargo & Co.?—A. I had had money there, and quite often in running short of money I would draw on them and make my deposit the next day to meet the check before it reached there.

Q. That is, you would draw a check on Wells, Fargo & Co., without having any money, expecting to pay the money and meet the check.—A. I did pay it, too.

Q. You put it up?—A. Yes, sir; I dated it ahead.

Q. Then you are mistaken about drawing these two or three checks on the Hanover Bank?—A. I am not positive on that point.

Q. These checks which were dishonored and on which you got money and haven't paid, were they drawn on the Hanover Bank or Wells, Fargo & Co.?—A. The Hanover Bank; all of them, I believe.

Q. How many of these checks are due?—A. I think I have three.

Q. You say there are two checks you drew on the Hanover Bank?—A. Yes, sir.

Q. Were there more than two that you drew on them after this bill passed?—I think there are three, but I am not positive.

Q. And all three were dishonored?—A. As well as I remember they were.

Q. And you drew another check on Wells, Fargo & Co. that was not dishonored? Did you tell the man when you got the money for the second and third checks that the first had been dishonored?—A. It had not been returned at that time.

Q. How far apart were these three checks?—A. I think they were two days apart, but I am not positive.

Q. The third one in the same way, or was that still later?—A. I think it was in the same way. I stated to the gentleman who cashed that one for me that I was not positive whether it would be paid, but if it was not, I would make the check good to him; that I needed the money to return home, and he cashed it on that basis.

Q. Have you drawn heretofore checks on banks where you had no money and obtained money on them?—A. Not without authority and explaining to the man that my account was run down.

Q. Did you cash a check for \$300 on a bank in Chicago where you had no money some years ago, here in Washington?—A. No, sir; and any man who says that, or anything of that kind, is a liar; he is a perjurer.

Q. You never drew a check on a Chicago bank and got it cashed on a bank where you had no money?—A. No, sir; I never remember drawing a check on a bank in Chicago.

Q. Have you got these three checks that you drew upon the Hanover Bank which were not cashed?—A. No, sir.

Q. And neither of them are paid?—A. You say did I have them?

Q. Have you received them back from the men you gave them to?—A. I think I have received one and the other two I have not.

Q. What was the size of these checks?—A. One is \$15 and the other is \$20. It was simply for personal and immediate expenses. One was to pay a little bill and the other was to go over there on.

Q. And they remain outstanding yet?—A. Yes, sir.

By Mr. PAYNE:

Q. Mr. Rowell asked you about a check for \$200 or \$300, whatever the sum was; were you ever arrested in connection with any such transaction?—A. With a check?

Q. Yes.—A. No, sir.

Q. Were you ever arrested on account of obtaining some money?—A. I would like to have my lawyer answer that question.

Mr. JOHNSON. I submit most respectfully, gentlemen of the committee, that this examination has taken a departure from the subject under consideration and gone into the private character of this gentleman. If it is done for the purpose of testing the recollection for memory I admit that is competent, but beyond that I respectfully submit it is entirely irrelevant to the issues made here, as I understand it.

By Mr. PAYNE:

Q. I am not very particular about pressing the question if the witness does not desire to answer it.

The WITNESS. I am perfectly willing to answer it if my attorney says I shall.

By Mr. PEEL:

Q. I believe you told us how long you knew Mr. Donald before you went into this transaction?—A. Yes, sir; as nearly as I could.

Q. Had you ever had any business transaction with him before, outside of the bank of which he was cashier?—A. You mean where I did business with him outside of the bank?

Q. Any transaction with which he and yourself were connected together. I think you said you had some bank business there with him?—A. Yes, sir; I had some business with him beforehand.

Q. How long before?—A. I can not remember the exact date, but I think it was some three or five months before.

Q. Got along pleasantly with him?—A. Very pleasantly, indeed.

Q. In entering into this contract with him by which you were to carry on the speculation, did he enjoin secrecy upon you in regard to the personnel of that pool or syndicate, that is, as to the names of the persons belonging to it. Was it a secret or was it publicly there talked of in the back room or office as other business organizations?—A. It was understood to be secret so far as our relations were concerned.

Q. That is, your relations for the purpose of dealing in silver at that time, that the names of the persons engaged in the business, were to be kept secret, was that correct. You understand me, I mean this; did you understand from Mr. Donald or any other person connected with you or him in the execution of this enterprise, that the enterprise itself and the parties connected with the enterprise were to be kept secret?—A. Yes, sir, there was to be nothing to be said about it, that is true.

Q. When was it when you first learned you were first left out, to use your language?—A. That was a few days after this silver bill passed, possibly before it was signed.

Q. Now, in fact, when the silver bill passed, and your checks you drew after the bill passed, which you have just testified to, were dishonored, was that the time you learned you were ignored and learned you had no profits in it?—A. No; I still understood and believed that I was still to receive some money or part of it, you understand; that I was not to be left out entirely.

Q. Now, when did you learn you were to be left out entirely?—A. When I went to New York to see him.

Q. Was that during the summer?—A. Yes, sir; during the summer.

Q. The bill was approved on the 14th of July, was it during July or August?—A. It was about the time the silver bullion went down from 117 to——

Q. Was it in July or August you learned definitely you were left out.—A. I can not answer that to save my life, definitely and truthfully.

Q. I understand you got or understood very soon that you were not to get much; that your profits would be very light?—A. I think that was in July, but I am not positive about that. I would be glad to answer your question frankly.

Q. Now, when these checks were dishonored you went over to see about it?—A. Yes, sir.

Q. And had a conversation with Mr. Donald?—A. Yes, sir; and plead over him.

Q. Then he informed you there was nothing to be furnished after July, and no money made?—A. Yes, sir.

Q. That there was no money made in the transaction and therefore the checks could be paid.—A. That is the time?

Q. If that is true, how was it that you told Mr. Stevens in September you felt so good over your large speculations?—A. I said a minute ago I did not remember whether it was July or August. I do not know whether I had a conversation with Mr. Stevens in September or not. I never stated it was that particular time, and all you gentlemen will recollect that I could not remember when I had that conversation, and it was a few days or a day or two after that that I went to New York and found out that I was broke and that my checks and drafts were out. That is positive and correct, and I think you will find my testimony will bear me out in that.

Q. When you had this conversation with Mr. Stevens you thought you had made quite a raise?—A. Yes, sir; quite a raise, so to speak.

Q. When you made that statement to him did you expect him to report it in the paper?—A. I did not, unless it was submitted to me afterwards.

Q. Was there any understanding he was to submit it to you after that?—A. I do not think there was, but I expected it.

Q. You said expected it; then you gave it to him as a reporter and not as an individual?—A. No; I gave it to him more as a friend, as a newspaper friend, and expecting that anything he wrote would be submitted to me.

Q. If you gave it as a newspaper friend you expected him to use it in his paper, did you not?—A. That he would use something.

Q. You have just said you gave it to him as a newspaper friend.—A. No; I did not want to be understood that way.

Q. Then what do you want to be understood?—A. I had a conversation with him. No; I did not expect him to use that language that is used there, but as I told him——

Q. Did you expect him to report the substance in his paper?—A. Not unless it was submitted to me; I did not expect that.

Q. Did you expect it to be used in his paper any way?—A. Yes, sir.

Q. Then you had some idea it was likely to be used in his paper?—A. No; I say——

Q. How, then, did it happen you expected him to submit it to you?—A. It came about incidentally. As well as I remember we were speaking about silver.

Q. I can not quite understand if you expected him to submit it to

you before he put it in his paper how you could say he was not to use it in his paper.—A. I expected him to put a part of it.

Q. Then you expected him to put it in his paper?—A. That he would put something, but not the statement made there, you will understand.

Q. You did not expect him to state it as fully as you had given it?—A. No, I did not; no, sir. I expected, if he wrote anything at all, he would submit it to me and that I should make such corrections as I saw fit.

Q. Can you tell us how it came about? Did you go to his office or did he hunt you up?—A. It was accidental.

Q. Were you in the habit of being around the corridors?—A. Quite often and passing in and shaking hands with friends.

Q. And he came out accidentally, as I understand you?—A. Yes, sir. If I had seen the article, as I stated before, I should have modified it on the basis of my evidence here.

Q. Why was he to withhold it until September if this conversation was in the summer?—A. I do not know when Mr. Stevens published that. I do not know the date.

Q. Was there any understanding he was to withhold that?—A. No, sir; or that it was to be published either. It was simply a conversation, and I expected him to write something and expected to see it after it was written.

Q. If you expected to see it you expected him to say something?—A. But I expected to know what it was.

Q. Did you expect it to get into the papers in some shape or what was your object?—A. To put it in as an advertisement, because I was feeling good, in other words, and to encourage the silver people to recognize silver as money to enhance the value of silver, and it would help me personally. That was the size of it.

Q. But your name did not appear about it; how did it help your business interests, your name does not appear in it at all?—A. If I still had this silver carrying and it was advanced, and it was then 117, and advanced to 126, I made that difference, would I not?

Q. Oh, you would make some money, but I do not see how it would advance your interests unless it was shown you were making it through this advertisement. That advertisement did not make silver go up or down. Did you expect that would have an influence on the silver market?—A. I thought probably it would, whatever I expected him to write.

By Mr. OATES:

Q. A question occurs to me right here. Did you make to Mr. Stevens a positive statement of fact in that connection of the source of your information as you have here?—A. I did not make any statement of the source of my information like I have here.

Q. Did you state it to him positively like he has got it?—A. I stated not in the language but in the same way that he has mentioned it here.

Q. As to fact?—A. Yes; but I would have modified the statement if I had seen it.

By Mr. PEEL:

Q. Did not you direct Mr. Stevens to hold that for a month for some purpose; reflect now and see whether you did not?—A. I guess I did, to come to think about it. I am not positive about it.

Q. What reason did you have to withhold it for a month?—A. I think I stated to Mr. Stevens to withhold it for a month because I was afraid

the men I was interested with would suspect me as giving the information. Yes, sir; I guess you are right; I think I had forgotten that.

Q. And your whole object was to have an effect upon the silver market; what difference that could make?—A. That was not my whole object. I simply stated that to Stevens as a matter of news, and because I felt I had made a good deal of money and I wanted to let him know it.

Q. Then you think you requested him to hold it for a month, and you said you expected it to be submitted to you before it was published; did you expect to be back within a month?—A. Yes, sir.

Q. You expected it to be submitted to you before it was sent out?—A. Yes, sir; I expected that.

Q. Now, was this your whole object?—A. That he would write something, not the whole object.

Q. What was your object in connecting the names of Senators and Representatives in this transaction; what was your object in doing that?—A. It was not with the intention of injuring them. I simply gave them as a matter of fact to show the friends silver had.

Q. Was that your object to show to him how you had succeeded, how you accomplished such a scheme as that, and to give him an idea of your powers of organization?—A. Not at all. It was simply to explain to him that that class of people believed that we ought to have more money in the country to help the general public good and to place the money in the hands of the producer and the people of the country; that was my object.

Q. That was simply promoting the cause of bimetallism and free coinage?—A. It was promoting the cause of free coinage. That would be the best answer I could make to that.

Q. What reasons did you have in stating that certain Senators and Representatives had bought or sold or made money out of it? That was not in the interests of free coinage?—A. I did not expect them to be put in when I said that.

Q. You did not expect that to be put in?—A. No, sir. I thought when I saw it that if I said anything of the kind that ought not to go in I would have reflected over it and asked him to cut it out and modify it accordingly.

Q. Did he hold it a month in his name?—A. I do not know whether he did or not.

Q. You did not get a chance to correct it?—A. No, sir. I simply talked to him about it.

Q. Did you know whether he put it out without submitting it to you and put those names?—A. No, sir, I did not. I had not the slightest idea; and he will justify me in that, I guess.

By the CHAIRMAN:

Q. There are some further questions the committee would probably like to ask you to-morrow, and as some of the members of the committee can not attend until 12 o'clock, when the committee adjourns it will be until 12 o'clock to-morrow, and you will be excused until that time.

The WITNESS. I would like to ask the chairman of the committee to submit my testimony to me after it is made up, so I can make any corrections of any error that I have made in the testimony. I have not thoroughly understood all the questions asked me, but I have answered them to the best of my ability.

Mr. PAYNE. Of course the witness will be allowed to make any subsequent statements he desires and to correct any error he has made, but of course I shall insist that he strike out no part of his testimony.

The WITNESS. Then you mean to say if you asked me a question and as I am not a first-class grammarian and did not understand your language as a lawyer, that you will not allow me to correct that and put it in the right language?

Mr. PAYNE. I very much desire you should correct it in a proper way, which is by stating in what respect you did not understand it, and what your answer is when you did fully understand it. I do not object to any correction of words; but I shall object to any of the record being stricken out.

Mr. PEEL. Your idea is that strictly under the rules of evidence he has the right to go on and explain?

Mr. PAYNE. He can explain anything he wishes; but what I mean is he has no right to go through and revise and strike out a material portion of his evidence.

Mr. OATES. And if any correction is made it will be made in the presence of the committee.

Thereupon the committee adjourned until to-morrow (Wednesday, February 4, 1891) at 12 m.

ROOM OF COMMITTEE ON RIVERS AND HARBORS,
Wednesday, February 4, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 12 m., Hon. Nelson Dingley in the chair.

Present: The chairman, Messrs Payne, Rowell, Peel, and Oates.

TESTIMONY OF J. A. OWNBEY—Continued.

The CHAIRMAN. I understand that Mr. Johnson, counsel for Mr. Ownbey, desires to make a statement.

Mr. JOHNSON. Mr Chairman and gentlemen of the committee, I desire to say this touching the objection I made to a question propounded by a member of this committee to the witness as to whether or not he had been arrested for drawing upon and obtaining money from a bank upon a check. At that time I interposed as modestly as I could one objection. There were many others. One was, the witness, being a witness produced by the chairman, I think under the law he should not be attempted to be discredited by the committee; but I do not make that now. What I want to say is this, it became apparent in my mind that some person other than a friend of the witness had undertaken to post a member of the committee in regard to certain questions which could not have been obtained in any other way in order to discredit this witness in some way. I therefore now withdraw the objection and submit the witness to the fullest and most searching examination and cross-examination upon any subject touching his life from infancy up to the present time.

Mr. PAYNE. I do not think I desire to examine him at all. If he wants to make any statement, of course he can do.

The WITNESS. I would like to have my attorney make a statement on that.

The CHAIRMAN. Please make your own statement if you desire to do so. You are at liberty to make whatever statement you desire.

The WITNESS. I went to a gentleman named A. A. Thomas, of the city of Washington, and asked him to indorse my note of thirty days

for \$150. He indorsed the note, and I had some money due me from the Hon. John P. Jones, of Nevada, that I expected to receive before the thirty days came about. I went to Mr. Jones and asked him for the money, if it was convenient to let me have it. He said he could not very well then. He went to New York, and before he went he told me he would be back in time to let me have the money. He did not return until after the date of the note fell due and it was protested, and Mr. Thomas was out of town, as he said to me. As soon as I returned to town I went to see him and told him the circumstances about it, and told him I would see Mr. Jones that day or the next day, and that I would also telegraph for money and get it. I regarded him as a friend, and I told him to hold the note for a day or two and that I would make him good for the protest fees and damages. He said that would be all right. Senator Jones returned, and I went to see him once or twice, and he said it would be inconvenient to let me have the money for one or two days. I went down to see Mr. Thomas again about it and we had a pleasant conversation, and after I left him an officer came up and arrested me, and I was taken to the police station, and bonds of \$500 were required. The court rendered its decision the second day afterwards and I was honorably discharged, and the prosecuting attorney arose and thanked the court for its decision and said it was entirely in accord with his view, and had he not been misled or falsified as to the facts he would not have asked for the issuing of the warrant. The record of the police court—Judge Mills was presiding—will bear out that statement.

By the CHAIRMAN:

Q. That is all you desire to say?—A. Yes, sir; that is all the statement I desire to make. I did not want to be degraded and discredited as it seems some people in Washington would like to do with me.

Q. When you used the words "silver pool," in two or three instances in interviews with Stevens, what did you mean by that?—A. I had only intended to refer to the men who were interested in the securing of legislation, the enhancement of the value of silver, not as an organization, not a corporation like a board of directors, or anything of that kind. I meant simply a class of men, a party of men who were more or less interested and engaged in the same industry, so to speak.

Mr. PEEL Operating together?—A. Operating more or less mutually and towards the same end.

By the CHAIRMAN:

Q. But not any combination or association otherwise than that?—A. No, sir.

Q. In one of the interviews, you speak of one of the silver pools as having distributed a large number of documents bearing upon the silver question. What do you mean when you speak of "silver pool" in that connection?—A. I mean this, that I met and saw here in New York a man by the name of Slater who was the secretary of what was then known as the silver committee.

Q. You mean the silver committee that is here in this city?—A. That is all.

Q. When you stated they prorated the expenses for the circulation of documents and the promotion of silver legislation, what you called a "silver pool" was this silver committee?—A. Yes, sir.

Q. What did you mean when you stated they prorated the expenses among the persons interested in silver?—A. I meant by that Mr. Slater

told me those interested in silver, the producers and smelters, wanted to have free coinage.

Q. Did you refer to nothing but this silver committee?—A. No, sir.

Mr. PAYNE. Mine owners?—A. People who were interested and wanted a free coinage bill passed, both mine owners and other people.

By the CHAIRMAN.

Q. Did you have personal knowledge of that?—A. Only Slater's specific statement.

Q. What is his name?—A. M. A. Slater. He is now representing, so I have been told a few months ago, it was stated to me, an association of smelting men who handle silver, that he was the secretary of an organization which bought bullion from smelters and turned it over to the refiners.

Q. Did he tell you he was here promoting silver legislation?—A. That he was here acting for the silver committee and getting up documents and correspondence; that is all.

Mr. ROWELL. Is he here now?—A. I think not. I think he is in Denver, Colo. I have not seen him for over a year, or about a year I think it is.

By the CHAIRMAN:

Q. You spoke yesterday of a conversation which you had with Senator Cullom in which you presented the advantages of a silver purchase and suggested to him the propriety of purchasing some and he replied that he did not care to?—A. I did not exactly suggest it to him, but I simply spoke to him and said I understood there was a number of men investing in it, and I thought it was a good thing, but on the very intimation, I did not have an opportunity—

Q. Did you ask him to invest in it?—A. I only intended to convey the idea to him if he wanted to invest in it he could.

Q. What did you say to him?—A. I can not remember but I think it was simply that I understood there were a number of parties interested in silver and I was interested in the promotion of it and I hoped it would pass because it would place more money in the hands of the producers and farmers of this country, as there was not then money enough in the hands of the people to buy every adult a suit of clothes in the United States. It was in that general conversation that it came about.

Q. Did you advise him to purchase silver?—A. No, sir; I did not advise him.

Q. Did you tell him it would be a good thing if he purchased silver?—A. No, sir; I did not.

Q. Can you give the committee the substance of the language you used?—A. I simply said to Senator Cullom, in a delicate way, that I was interested in it and I had no doubt that any man who wanted, who was influential in this country—that is probably exactly the words I used—who was influential in this country, that there were plenty of bankers who would be glad to lend him money. I doubt whether I got that far.

Q. Who would be glad to lend him money to purchase silver?—A. I think that was it.

Q. And he responded as you have stated?—A. Yes, sir.

Q. Where did that conversation take place?—A. I forget whether it was in Senator Cullom's committee-room or not.

Q. Do you remember where it was?—A. I think it was in his studio at home here in this city.

Q. That is, his room?—A. That is, his home, as I understand it, on Massachusetts avenue. He said in the conversation that he was not in favor of the free coinage of silver or something to that effect. The conversation stopped when he made his reply to me.

By Mr. PAYNE:

Q. Was it either in one place or the other, in his house or his committee room?—A. I am not positive, but I think it was in his house.

Q. Was it one place or the other, at his house or at his committee room?—A. I am not positive.

By the CHAIRMAN:

Q. Are you positive where that conversation took place?—A. No sir; I am not positive. I have seen him quite often, as I have known him quite a while, for 3 or 4 years, and I have often met him on the street or in the corridor, and I think some two or three times he has taken lunch with me. I have asked him to take lunch with me on different occasions.

Q. Now to return a moment to another thing. You stated yesterday the number of checks that you had drawn on the Hanover National Bank, or on the cashier?—A. Yes, sir.

Q. Can you give those checks in detail?—A. I can not.

Q. Have you any memorandum?—A. No, sir; I think the number was thirty some odd, but I do not remember the exact number of checks.

Q. Did you have a deposit at the National Bank of the Republic?—A. I did a part of the time, yes, sir; but a part of the deposit was paid out of money of those checks.

Q. I understand you to say the deposits you made in the National Bank of the Republic were the proceeds of the check?—A. Yes, sir; I think part of them. I made more than one deposit and I think probably the first deposit which I—the books will show whether it was made by check—was drawn on the Hanover National Bank, but whether I brought currency—I brought currency two or three times—but I forget the number of the deposits made by checks and the number by currency. I have got a little bank book in some place that would show that, but I haven't got it with me. The bank books will show that, Mr. Chairman, not that I do not want to answer your question.

By Mr. PAYNE:

Q. To whose order did you draw those checks on the Hanover National Bank?—A. They were drawn to different orders, some payable to cash and some to my own order and some were drawn—I can not remember all the names.

Q. I mean the checks on the bank in New York, not checks on the bank here?—A. Well that is my answer to that.

The CHAIRMAN. You are excused for a few minutes.

TESTIMONY OF DAVID T. LITTLER—Continued.

DAVID T. LITTLER recalled and examined.

By Mr. PAYNE:

Q. Do you know Mr. James A. Ownbey?—A. Oh, yes, sir; I said the other day I knew him.

Q. Yes, I believe you did; how long have you known him?—A. I

have only known Mr. Ownbey probably 2 years; I do not think I have known him longer than that.

Q. Did you have any conversation with him last year, in which you stated to him that you and more than one Senator, naming them, were interested in the purchase of silver or silver certificates?—A. I do not remember any such conversation, Mr. Payne, and I do not think that conversation could have happened in that way for the reason it would not have been true, you know.

Q. Did you have any conversation with him in which you told him, for instance, Senator Cameron was interested in the purchase of silver?—A. No, sir; I do not think so. I do not think I ever told anybody that Senator Cameron was interested in silver until I told this committee.

Q. Did you ever tell him that any other Senator than Senator Cameron was interested in the purchase of silver?—A. Not to my knowledge. I remember Mr. Ownbey professed to know a number of Senators who were interested, but I did not pretend to know.

Q. Did he ever say to you, naming more than one Senator, that so and so was in it, and so and so was in it, and you answered, "I guess you are right," or, "you are right," or, "you might be right?"—A. I do not remember anything of the kind.

Q. Or anything of that kind?—A. I do not think so, Mr. Payne.

Q. Did he ever say to you that certain Senators or Representatives, naming them, who were accustomed to go to Chamberlain's or people at Chamberlain's or a party at Chamberlain's or anything of the kind, were in it or interested in silver or anything in substance like that?—A. He may have said that; he claimed to know a heap more than most people.

Q. Now, in reply to that or to any such statement in substance like that, did you tell him "You are right"?—A. I can not recollect anything of the kind.

Q. Or "I guess you are right"?—A. I do not think so; I am sure that if I said anything of the kind it was simply to agree with him; that I did not know anything about what he was talking about.

Q. Or did you say, "you might be right"?—A. Well, perhaps; but I do not recollect anything of the kind.

Q. Do you recollect any such conversation?—A. No; I do not.

Q. Well, sir, do you know of any other Senator than the one you have mentioned purchasing silver or being interested in silver or silver certificates?—A. You know it weakens a statement to repeat it, and I have already repeated——

Q. I know you have, but it does not weaken your statement.—A. If it will add any strength to my former testimony I want to emphasize the fact that I have already detailed before this committee all of my knowledge on this subject.

Q. Now, have you any information regarding any other Senator or any Representative or any member of the House of Representatives dealing in silver?—A. Nothing more than what I have already stated.

Q. Then I believe you said you have not more than what you heard in the newspapers?—A. Yes, sir; and what I have heard talked around the hotels and corridors of this House.

Q. Then I will ask you this question, which perhaps your examination did not cover before; had you any information from any person who claimed to know any fact or have any admission from any Senator or Representative that they were intending to purchase silver?—A. No, sir; not to my knowledge.

By the CHAIRMAN:

Q. Did any Senator or Representative or employé of either House or official of the Government ever tell you or say in your presence that they had any interest directly or indirectly in a silver purchase?—A. Not at all, beyond what I have already stated.

Q. I mean excepting what you stated about Senator Cameron.—A. No, sir; not to my knowledge.

By Mr. ROWELL:

Q. Were you ever present where they were together, Senators and Members, in which they talked about the question of being engaged in the purchase or sale of silver?—A. No, sir; not to my knowledge.

Q. Why do you say not to your knowledge; have you any impression or any memory in regard to any such thing as that?—A. No, sir; I have not. I do not remember to have ever heard two or more Senators or Members of Congress discussing the subject at all, unless it was a sort of bar-room conversation. I have heard gentlemen at the Shoreham Hotel, standing around there, Members and Senators perhaps, talk about the silver question.

Q. You mean the silver legislation?—A. Yes, sir; but I never heard any Senator or Member of Congress talk about going into the business of buying silver, never in my life. Now, I want to treat Mr. Ownbey kindly and fairly. Mr. Ownbey told me, as I recollect now, that he was interested with some gentlemen in the purchase of silver in New York, but I do not remember that he coupled with that at all any member of either the House or the Senate. I do not recollect the particulars, but I have a general recollection that he said he had some interest with other parties in New York.

Q. Was the conversation with him participated in by you or simply listened to by you?—A. It was simply listening to his statement, I had no interest in the subject whatever.

Q. Did you claim to impart any information to him in regard to people?—A. Not to my knowledge.

Q. The information was imparted to you and not by you?—A. I received a great deal of information from Mr. Ownbey.

Mr. OATES. A great deal of information?

A. Yes, sir.

Mr. ROWELL. The information you received from him claimed to be from his personal knowledge?

A. I do not remember about how he claimed to have obtained it.

By Mr. OATES:

Q. You mean, by saying that you obtained a good deal of information, that he professed to know a great deal?—A. Yes, sir.

Q. And talked about a great many things?—A. Yes, sir; he did.

Q. Did you regard it as reliable information?—A. Oh, I do not know Colonel Oates.

Q. A man has his opinion about these things.—A. My opinion would hardly be sufficient.

By Mr. PEEL:

Q. I will ask you something in regard to that. Did you, in your business transactions that you had in connection with the purchase of silver, act upon any information given you by Mr. Ownbey?—A. Oh, no, sir.

Q. You acted upon other information entirely?—A. Oh, yes, sir.

By the CHAIRMAN:

Q. You did not inform Mr. Ownbey that you knew of any Senator or Representative or employé of any Department of the Government, or either branch of Congress, who had any interest in silver purchases?—A. I do not think so.

Q. Unless it might have been Senator Cameron?—A. I do not think I ever mentioned even Senator Cameron, I am quite sure of that.

Q. You are quite positive you did not inform him of any other person?—A. I am for the reason that I am very positive I did not know anything with relation to anybody else and I do not usually volunteer such information. Gentlemen, I hope you are through with me this time, although I will state I will be here for several days.

TESTIMONY OF CHARLES S. BRADLEY.

CHARLES S. BRADLEY sworn and examined:

The CHAIRMAN. You are cashier of the National Bank of the Republic?—A. Yes, sir.

By Mr. PAYNE:

Q. Do you know Mr. James A. Ownbey?—A. Very slightly, only as a small depositor in the bank.

Q. When did he become a depositor in the bank?—A. November, 1889.

Q. Have you the date?—A. Yes, sir.

Q. Did you take a memorandum so as to refresh your recollection?—A. Yes, sir.

Q. I suppose you got that from the bank book?—A. Yes, sir. November the 23d, 1889, is the time.

Q. And he deposited what?—A. He made a small cash deposit. Mr. Ownbey was simply introduced to us by the proprietor of the National Hotel, where he was staying at the time, and I only knew him in that way and in that connection. He made no further deposit until January, 1890.

Q. How much cash was deposited that day, November the 23d.—A. Ten dollars.

Q. Now what did you say about his making a further deposit.—A. He made no further deposit until January, 1890.

Q. What was the amount?—A. January the 15th, \$85. I could state, probably to abbreviate matters in a general way that his account extended over a period from November 23, 1889, to July 16, 1890.

Q. What was the entire amount deposited?—A. The entire amount deposited was \$688.96.

Q. Were there any deposits of checks?—A. Yes, sir.

Q. What were they—dates and the amount?—A. The first check deposit was on April 3, 1890, \$50.

Q. And the one next?—A. The next was April the 7th, 1890.

Q. How much was that?—A. That was \$50.

Q. These checks were checked on what?—A. They were checked on the Hanover National Bank, of New York City.

Q. When was the next check?—A. The next one was June the 18th, 1890.

Q. And that was on what?—A. That was a check or draft, our books do not show which, on the Hanover National Bank of New York City.

Q. What was the amount?—A. One hundred and twenty-five dollars.

Q. Are there any other checks?—A. These are the only checks deposited. There was one deposited of \$50, April the 2d, 1890, credited by telegraphic advice from the Hanover National Bank. The rest of his deposits were either cash deposits by himself for small amounts received through the express companies.

Q. I do not know whether I got that right; that April the 2d was a telegraphic credit of \$50?—A. Credit by telegraph.

Q. There were three checks besides that on the Hanover National Bank?—A. Yes, sir; that is all, these are the only checks.

Q. Then the total of checks and drafts and also that credit by telegram from the Hanover National Bank, amount to what?—A. Two hundred and twenty-five dollars.

Q. Two hundred and twenty-five dollars?—A. Yes, sir.

Q. Now, did he draw through your bank any money besides this \$225 on the Hanover National Bank?—A. No, sir.

Q. At any time?—A. No, sir; at no time. I do not know I am able to state without referring to our letter book whether there was any check or draft drawn by him in this period which was not paid.

Q. I mean anything where the money was paid?—A. No, these are the only checks on which payments were made. These four items, as I understand.

Mr. ROWELL. You mean \$275?—A. No, sir; \$225.

Q. I thought there was three items of \$50?—A. Those were checks, two of \$50, one of \$125, and one telegraphic advice of \$50; yes, that makes \$275.

By Mr. PAYNE:

Q. Then that would make \$275 instead of \$225?—A. Yes, sir.

Q. Are you positive about that, that \$275 was all the money that actually came on drafts and telegrams from the Hanover National Bank to you?—A. Yes, sir; these were the only items in all his deposits during that period which were not either deposited by himself or amounts received through the express company.

Q. Does that statement which you have there show the entire credit side of his account?—A. Yes, sir.

Q. Would you leave that with the stenographer—it was taken from the books, I suppose?—A. It was taken from the books.

Q. Was this money drawn out?—A. It is all drawn out; yes, sir.

Q. Are there any overdrafts?—A. He has overdrafts of something less than \$6 on our books.

Q. Any checks presented that were not paid?—A. That I do not know, sir.

Q. You can not tell as to that?—A. No, sir. My impression is there have been checks presented which were not paid.

Q. Did he draw through your bank in the aggregate on the Hanover National Bank a sum of not less than \$800, which was paid?—A. I do not remember any draft or check of his on the Hanover Bank excepting these which are exhibited by the account. If there were others I can only tell by referring to our letter-book.

Q. I mean those that were paid.—A. Those that were paid and were carried in the account aggregate \$275.

Q. Would your books show all paid?—A. Yes, sir; this statement shows all the money received through the Hanover National Bank.

By the CHAIRMAN:

Q. Do you remember any check on the Hanover National Bank for \$200 aside from these?—A. No, sir; I do not.

Q. Would you have any record of it?—A. We would have a record of any check that had been cashed for him. If you give me the date I can refer to our books. We have an account of every check that is sent away from the city.

Q. And that would be outside of the books you have examined?—A. If it had been cashed and not placed to his credit.

Q. Will you furnish the committee with the information if any checks were cashed by you on the Hanover National Bank other than these?—A. Well, it would be almost impossible, unless the committee can give me some idea of the date of such checks, as we have a great many passing through our hands every day.

Q. What time do you claim this to be?

Mr. OWNBEY. It was during a period of time——

The CHAIRMAN. From January to July.

Mr. OWNBEY. Yes, sir.

By Mr. ROWELL:

Q. If you cashed a check for him and it was not carried into the deposit, would the books show the fact?—A. Yes, sir.

Q. And this account would show—— A. This account would only show the check was placed to his credit on our books. If it was cashed at the counter without passing to his credit this statement would not show it.

Q. But you would have an account of that.—A. We have a strict record of any foreign check that passes through our hands.

Q. (To Mr. Ownbey). Can you give exactly the date?

Mr. OWNBEY. I can not give exactly the date, but it ran along that period of time.

By the CHAIRMAN:

Q. (To the witness.) How much trouble would it be to ascertain whether during that time any such check was cashed on the Hanover National Bank?

The WITNESS. Well, sir, it would involve looking about 4 or 5 pages a day of a record book of that size [illustrating].

Q. It would go to your correspondents in New York?—A. It would go to our New York correspondents, but not in our account with the Hanover National Bank. We have several New York accounts. Most all our running account goes through the Merchants' National Bank.

Q. Would you cash such a check on that bank without authority of that bank?—A. We would cash such a check as that for no one unless we knew the check was good or unless it was indorsed by some one who was good for it.

Q. Was that check indorsed by anybody?

Mr. OWNBEY. No, sir; I gave it to Mr. Bradley or the president, I forget which, and change out of my pocket and asked him to wire the Hanover National Bank. I remember giving the money to pay, on one or two occasions, to you or Mr. Young about checks. I gave him some money for that, I think it was a dollar bill, and asked him to wire the Hanover National Bank if that check was good. You cashed me no check, as well as I remember now, without their answering by wire.

Q. They never cashed a check for you unless they got an answer from the bank that that check was good.

Mr. OWNBEY. I forget whether I had anybody indorse a check given them or not.

Q. Well, then, this \$200 check you claim you never had indorsed.

Mr. OWNBEY. No, sir; I do not think I did. I think I gave it to Mr.

Bradley or the president, and gave him the money to telegram to ask if it would be honored.

By Mr. ROWELL:

Q. For authority to deliver you the money?

Mr. OWNBEY. Until I got an answer that it would be good, then they would give me the money.

Q. (To the witness). Do you recollect anything of that kind?

The WITNESS. No, sir; it may have been. It is a daily occurrence, and I would not remember that.

By Mr. PAYNE:

Q. Would your letter-books show that?—A. No, sir. We keep all the telegrams we have received and the telegraph office will of course have a record of any we have sent.

Q. You file all you receive?—A. Yes, sir; we file all we receive; they are our vouchers.

Q. Are they filed separately?—A. They are filed among our letters.

Q. I understand you could find that easily?—A. We can find those.

Q. Then I think you can get at it in that way.

The CHAIRMAN (to witness). Will you kindly examine your telegrams or letter-books and obtain a list of any drafts that you have cashed on the Hanover National Bank of New York City for Mr. Ownbey from January to July, 1890? If you do, the committee will be much obliged.—A. Yes, sir; I will try to furnish that.

By Mr. OATES:

Q. Do you know any Senator or Representative or any official of the Federal Congress buying or selling silver bullion or certificates representing it?—A. None whatever, sir.

Q. You have no knowlege on the subject?—A. None whatever. I might state also that I have had very few conversations with Mr. Ownbey and he never mentioned to me the subject of a silver pool or silver legislation.

Mr. OWNBEY. That's right.

The WITNESS. He simply stated when he first came to the bank, as well as I remember, that he was an expert assayist, and was purchasing silver, mutilated and otherwise, for parties in New York. I think he mentioned several parties, I do not remember any names except Wells, Fargo & Co.—that is the only one I remember.

The CHAIRMAN. Mr. Owenby, by order of the House of Representatives you have been discharged from custody, and you are also excused from further attendance on the committee. If the committee should desire anything further from you they will notify you.

The resolution adopted by the House on February 4, 1891, is as follows:

Resolved, That J. A. Owenby, having been heard by the House pursuant to the order requiring him to show cause why he should not be punished for contempt for refusing or neglecting to respond to the subpoena commanding him to appear before the special committee to investigate alleged silver pools, and, in purging himself of the contempt for which he is in custody, has appeared and testified before said committee, is hereby discharged from the custody of the Sergeant-at-Arms.

Here the committee took a recess until 2 p.m.

The committee met at 2 p. m., and the witnesses expected not being present it adjourned to meet to-morrow, Thursday, February 5, at 2 p. m.

Credits Jas A. Ownbey

Nov 23 '89 to July 26 '90 whole am't.....	\$688 96
1889	
Nov 23 Cash.....	10
J 1890	
Jany 15 ".....	85
Feb'y 27 Cash by B & O Express.....	35
Mch 13 Cash.....	68
" 28 C'y by Express.....	37
" 31 " " U. S. Express.....	52
Apr 2 Cr by Tel advice Han Nat*.....	50
" 3 Cash.....22.56	
" His ck 14 on Han Nat }	
" dated Apr 3 '90 } 50.*.....	72 96
" 7 His ck 18 on Han Nat Apr 6*.....	50
" 28 Cash.....	25
May 8 C'y by Express.....	22
" 12 Cash.....	25
June 5 ".....	5
" 18 { His ck or dft on Hanover N }	
" { We authorized to pay by letter 17th } *.....	125
July 9 Cash.....	3
16 C'y by Express.....	24

ROOM OF COMMITTEE ON RIVERS AND HARBORS,

Thursday, February 5, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m., Hon. Nelson Dingley, jr., in the chair.
Present: The Chairman, Messrs. Payne, Rowell, Peel, and Oates.

TESTIMONY OF HON. B. W. PERKINS—Continued.

Hon. B. W. PERKINS recalled and examined.

By Mr. OATES:

Q. When you were up before the committee the other day—I read and made a note of your statement—you stated that you never requested Senator Cameron to use his influence to try to have the resolution which Mr. Dockery had introduced looking to this investigation suppressed or stopped.—A. I did say so.

Q. Did you ever approach any other person upon that subject and ask any other person to interfere or see Senator Vest or anyone else to get them to suppress that resolution and prevent the investigation?—A. I did not.

Q. Did you ever have any conversation with anyone the purpose of which was, or in which you requested or insisted that they should see any person, Dockery or anyone else, to suppress this investigation?—A. I did not. I stated very clearly when I was before the committee before that personally I did not believe that the resolution when it was offered was a matter of privilege; that I was not favorable to this investigation at all unless the Committee on Rules, which had the first or original resolution, found something in its investigation that would justify the appointment of a special committee for the purpose of investigating this matter; that I believed the resolution was offered for the purpose of embarrassing the work of this session of Congress from a political standpoint, and I believed it was pressed by many Eastern papers for the purpose of preventing silver legislation during this session

of Congress, and for the reason I believed that unless there was more testimony offered to the Committee on Rules that would justify it in reporting the resolution favorably or in favor of an investigation they should not do so. If they found anything in the world, then I believed the investigation should be ordered and I believed it should be thorough and go to the bottom of it. I stated that and stated it publicly and had no hesitation in saying that that was my position then and it is my position now.

Q. I read that in the notes of your testimony. Did you ever buy any silver bullion or silver certificates representing it on a margin or otherwise?—A. I did not.

Q. Did any member of Congress, Senator or Representative, or other person connected with the Government, ever tell you that they had bought?—A. No one except, as I stated before to the committee, Senator Cameron. After the committee was appointed he admitted—I called his attention to the fact when I met him in a casual way, and I said, "Have you seen the testimony of Senator Vest?" and he said that he had, and he said that Senator Vest's testimony was true and correct, something, I have forgotten the expression used, but he said it was true and he did make an investment in silver as stated by Senator Vest, and that he had a right to do so, and if the committee desired he would appear before it and make the same statement.

Q. He did do it, and that is the only person, the only member of either House of Congress, or official of the Government whom you have heard say he bought silver or speculated in silver?—A. Yes, except when I was before the committee I had not heard Mr. Taylor's statement and did not know of his investment, but since that time he told me so, so that now what I said before to the committee would not be quite correct, for since then I have heard Mr. Taylor make a statement that he purchased some silver after the bill became a law.

Q. He has so stated to the committee.—A. I believe he stated substantially what his testimony was before the committee.

Q. Did Mr. Hedenberg or any other person—A. I never saw Mr. Hedenberg in my life that I know of. I never saw Mr. Ownbey that I remember, or any man representing a silver pool, and no man representing a silver pool ever talked to me on the subject.

Q. As I understand your testimony you say that you never bought any silver, never were approached by anyone to buy silver for the purpose of speculating—of course I mean silver bullion or certificates representing it—you have no knowledge of any such thing other than you have stated.—A. I do.

Mr. PAYNE. I want to call attention to the fact that every one of those questions was asked Mr. Perkins specifically on his first examination and to every one he made the same answer he makes now except to one.

Mr. PEEL. I think except about the suppressing of the resolution; I do not think that was asked before, that I remember.

Mr. PAYNE. I have that right here:

"Q. Did you ever request any Senator or any other gentleman to use his influence to prevent this investigation?—A. Never; and I never spoke to Senator Cameron upon the subject in my life."

So you see this question has been asked before.

Mr. OATES. I understood, from reading the testimony, he had stated he had never approached Senator Cameron. There was criticism made on it, and I was not present when he was examined.

Mr. PAYNE. I want to call attention to the fact that evidence covers every point upon which he has been asked to-day.

TESTIMONY OF JOSEPH L. CUNNINGHAM.

JOSEPH L. CUNNINGHAM sworn and examined.

The CHAIRMAN. Your residence?—A. Paterson, N. J.

By Mr. PAYNE:

Q. What is your business?—A. I am a broker.

Q. And have an office in New York?—A. Yes, sir.

Q. Will you not give us the location of it? I think it is in evidence, though.—A. 102 Chambers street.

Q. You have had an office there during the past 2 years or longer?—A. Yes, sir.

Q. Do you know Mr. James A. Ownbey?—A. Yes, sir.

Q. How long have you known Mr. Ownbey?—A. Well, I suppose I have known him probably 8 or 10 years.

Q. Have you during the past year, well, since the 1st of December, 1889, had any conversation with Mr. Ownbey with regard to silver legislation?—A. No, sir; no more than I have with anybody else, no specific conversation.

Q. Have you had any conversation in regard to silver pools or the purchase or sale of silver?—A. No, sir.

Q. Have you ever mentioned to Mr. Ownbey, either from your own knowledge or information that you had received, that any person who was a Senator or Representative or Government official had bought or sold silver?—A. No, sir.

Q. Or silver certificates or anything representing silver bullion?—A. No, sir.

Q. Or was in any way interested in silver speculation?—A. No, sir.

Q. Or in silver bullion or silver certificates?—A. No, sir. I may say that he came to my office one day and he said he could buy 50,000 ounces or some other amount of silver and wanted me to put up the margin for him.

Q. When was that?—A. Well, probably in the summer some time.

Q. Last summer?—A. Yes, sir; that was for himself, and he wanted to know if I could furnish the money, and I told him I did not want to have anything to do with it, and I did not.

Q. What inducement or security otherwise did he offer you for putting up margins for him to purchase silver?—A. I suppose he thought the silver would protect itself. Jawbone was, I think, all the margin he had to put up.

Q. Did he not offer to put a check or anything?—A. No, sir; jawbone was all he offered me.

The CHAIRMAN. What do you mean by jawbone?—A. Talk. He was a vocal capitalist.

By Mr. PAYNE:

Q. Don't you accept that kind of security?—A. No, sir; I have enough of that of my own.

Q. Did he ever tell you that any person who was a Representative or Senator was interested in silver transactions?—A. I do not think he ever did. If he had I would not have believed him.

Q. Did he employ you to come to Washington to look after legislation?—A. Never; oh, no.

Q. He stated that you and he had some sort of a business transaction at one time and that as a result of it he became your debtor for an amount of money?—A. Never through any business arrangement.

Q. Did he ever become your debtor?—A. Yes, sir.

Q. I do not care about the details of the transaction; it is not very instructive, perhaps?—A. Yes, sir.

Q. Did he pay you \$100 on that indebtedness during the past year?—

A. I do not remember his ever giving me anything in the way of money.

Q. Did he give you anything that was to be applied to that?—A. He gave me his note.

Q. With a good indorser?—A. No, sir; he indorsed it himself; he made a double-named paper and put his name on it twice.

Q. For how much?—A. I have forgotten how much it was.

Q. Was that the amount of the indebtedness?—A. No, I guess probably he owed me more. I let him have money whenever he wanted it.

Q. When did he give you this note?—A. I do not know. I have it in my valise; but I should think it was in the fall.

Q. Of last year?—A. Yes, sir.

Q. Did you agree to go to Washington and furnish information to him in consideration of that?—A. No, sir; or nobody else.

Q. Or report to him the progress of silver legislation?—A. No.

Q. Or promote it for him?—A. No, sir.

Q. Did you employ Ownbey to do anything for you?—A. Oh, no; no, sir.

Q. Well, this indebtedness was incurred before?—A. It had been running along ever since I knew him.

Q. About how long ago is that?—A. I have known him probably 8 or 9 years. I think probably I met him at Leadville in 1880 or 1881. The last few years I have seen him every few days.

Q. You may state briefly what that indebtedness was; how he became indebted to you.—A. I loaned him money from time to time.

Q. And that is the only indebtedness you hold against him?—A. Yes, sir.

Q. And that was, you say, all prior to 1889?—A. Yes, sir; I think it was.

Q. You think it was all loaned prior to 1890?—A. Yes, sir.

The CHAIRMAN. It is prior to 1890 certain?

A. Yes, sir.

By Mr. PAYNE:

Q. Did you not have a deal with him in which there was a mutual loss, and this indebtedness grew out of your dealing and loss, he being accountable for his share of it?—A. No, sir.

Q. Nothing of that kind ever occurred?—A. No, sir.

Q. Did you ever have any deal with him, except to loan money?—A. I may have sometimes bought some stock or something through him, not directly with him.

Q. Some mining stock or something of that kind?—A. Yes, sir. I may have done that.

Q. That he was agent for?—A. He may have had something to do with it; I do not think he owned any stock.

Q. The indebtedness would be on the other side of that transaction?—A. That is right.

Q. In any of these deals did it come about that he was indebted to you?—A. Oh, no; all the indebtedness that he owes me is for money I have given to him.

Q. Well, outside of anything you may or may not have told Ownbey, do you have any knowledge yourself of any member of Congress or of the Senate dealing in silver?—A. No, sir.

Q. I mean in this present Congress.—A. No, sir, or any other Congress.

Q. You neither had knowledge or information?—A. None whatever.

Q. Or of any official of the Government?—A. None whatever.

Q. Do you know the cashier of the Hanover National Bank, Mr. Donald?—A. Yes, sir.

Q. Did you ever have any silver transactions with Mr. Donald?—A. No, sir, I never had any silver transactions with anybody. I never saw a silver certificate except in two, or five, or ten dollar, or one hundred dollar bills.

Q. You never saw these certificates of the Mercantile Safe Deposit Company?—A. No, sir.

Q. And never through your office sold or bought any?—A. No sir.

Q. Or dealt with them in any manner?—A. In no way at all.

Q. Were you in any way mixed up with the legislation in regard to silver or urging it upon any member individually or in any other way?—A. No, sir.

Q. Do you know anything on the subject that is now before this committee?—A. Oh, no; nothing about legislation except I am in favor of it.

Q. But aside from that do you know anything about it?—A. No, sir. I think it would be a good thing if we had silver legislation and plenty of it.

Q. There is a difference of opinion?—A. There is not much in New York except among manipulators of money.

Q. There is a difference of opinion even in that?—A. No, sir, not among the manipulators, not a bit.

Q. Have you any interests in mines?—A. Yes, sir.

Q. Silver mines?—A. Yes, sir, but I do not know whether there is any silver in them yet; we have been looking for it.

Q. I suppose you can say absolutely that there is no difference of opinion among the owners of silver mines on the subject?—A. Yes, sir, I think there is.

By Mr. ROWELL:

Q. Do you know any man who owns a silver mine with any silver in it that is opposed to further legislation in silver?—A. I think not, unless there is some manipulator of money in New York.

Q. You do not know of such a man?—A. I think I could find one.

Q. Do you know a man who owns a silver mine that is not in favor of more liberal currency?—A. I think I could find a man if I tried.

Q. But do you know such a man now?—A. I would not like to say I did. But I know plenty of men who are not interested in silver who would like to see more of it.

Q. Have you read Ownbey's evidence?—A. No, sir.

Q. Or what the newspapers stated was his evidence in connection with this, and the information he had received?—A. Yes, sir.

Q. Well, now, did you furnish him any of that information that he said he received from you?—A. No, sir.

Q. Or ever have a conversation with him on the subject that he claims to have got from you?—A. No.

Q. Or did he state to you that these men were interested?—A. He may have stated to me whatever he thought, but I would not have believed him.

Q. Did he ever state that any Member of Congress or Senator was interested in dealing in silver?—A. Oh, no, sir.

Q. You do not seem to have the highest opinion of his truth and veracity?—A. No, sir.

By Mr. OATES:

Q. Do you know his general character for truth and veracity?—A. Well, fairly.

Q. You can answer yes or no. Do you know the estimate people who know him place upon him as a man of truth and veracity?—A. I do not know anybody who knows him as a man of truth and veracity; no, sir.

Q. Do you know his general character, how he stands in that regard among his acquaintances?—A. I do not think it is very high.

Q. Would you believe him on oath?—A. That would depend.

Q. Depend upon circumstances?—A. Yes, sir, depend upon surrounding circumstances.

Q. Suppose his evidence was not corroborated or was contradicted by others?—A. Then I would have to know that he was swearing to the truth myself.

Q. Before you would believe it?—A. Yes sir.

Q. With people with whom he is acquainted that is his reputation, not a reliable man?—A. Yes sir.

Q. In his statements?—A. Yes, sir. Everybody in New York is laughing that knows him to think he could work the Government.

By Mr. PEEL:

Q. Mr. Payne was asking you about whether you knew any many who was interested in silver mines who was opposed to the free coinage of silver, and I believe you stated you did not unless he was interested also in the manipulation of money?—A. Yes, sir.

Q. Would that depend upon whether his interest was greater in the manipulation of money than in the other?—A. That is it. He might have a small interest in mines and a big interest in money. If we had free coinage they could not manipulate money, as they would not make it fast enough.

Mr. OATES. Do you know how much silver bullion is held in New York?—A. No, sir; except what I see in the papers from day to day.

The CHAIRMAN. Mr. Bradley, the cashier of the National Bank of the Republic, was before us and was instructed by the committee to send to them certain additional statements, and after looking over the books of the bank with reference to Mr. Ownbey's account he writes this letter. I will read the letter:

THE NATIONAL BANK OF THE REPUBLIC,
Washington, D. C., February 5, 1891.

Hon. N. DINGLEY, JR., *House of Representatives*:

DEAR SIR: As requested by your committee yesterday, I have had our letter files and records examined and find there were two other payments made Ownbey on telegraphic order from Hanover National Bank which do not appear in his account or in the statement submitted by me, as they were cashed over the counter. One was for \$45, February 19, 1890, and the other for \$200, December 2, 1889. I inclose herewith copies of the two telegrams authorizing these payments and of letter from Hanover National Bank relating to the \$200.

We find no other payments to Ownbey.

Very respectfully,

CHAS. S. BRADLEY, *Cashier*.

[Telegram.]

NEW YORK, February 19, 1890.

To C. S. BRADLEY,

Cashier National Bank of Republic, Washington, D. C.:

Please cash check \$45 on us, signed James A. Ownbey, payable to F. B. Alvord.

JAS. M. DONALD, *Cashier*.

NEW YORK, *December 2, 1889.*

TO CHAS. S. BRADLEY,
Cashier National Bank of Republic, Washington, D. C.:

Upon proper identification, cash \$200 draft on us, signed James A. Ownbey.
JAS. M. DONALD, *Cashier.*

THE HANOVER NATIONAL BANK OF THE CITY OF NEW YORK,
New York, December 2, 1889.

CHAS. S. BRADLEY, ESQ., *Cashier, Washington, D. C.:*

DEAR SIR: We beg to confirm our despatch of this morning "Upon proper identification cash two hundred dollar draft on us, signed James A. Ownbey," all of which we trust will put you to no trouble. We wanted this paid to close a transaction for one of our correspondents.

Yours truly,

JAS. M. DONALD, *Cashier.*

He also sends this note, inclosing two letters as follows:

THE NATIONAL BANK OF THE REPUBLIC,
Washington, D. C., February 5, 1891.

DEAR SIR: I inclose herewith copies of two letters which you are at liberty to use should your committee so desire.

We became tired of Mr. Ownbey's account; and though he stated that the several checks he drew were for money which was to be credited to his account in bank in New York, we thought he was endeavoring to anticipate any such credits and did not wish to annoy our correspondent unnecessarily, so wrote the letter of June 17, 1890.

Very respectfully,

CHAS. S. BRADLEY, *Cashier.*

HON. N. DINGLEY,
Chairman Committee, House of Representatives.

THE NATIONAL BANK OF THE REPUBLIC,
Washington, D. C., June 17, 1890.

JAMES M. DONALD, Esq.,
Cashier, New York:

DEAR SIR: If checks drawn on you by James A. Ownbey are annoying to you at all, and you prefer that we should not receive them, we will decline them hereafter. We have no interest in them whatever, and it is a mere accommodation to him.

Very truly, yours,

CHAS. S. BRADLEY, *Cashier.*

THE HANOVER NATIONAL BANK,
New York, June 18, 1890.

DR. MR. BRADLEY: Your special letter of the 17th received.

Don't let him annoy you, and any time he wants you to send a telegram to us, decline positively to do it.

Any time we have instructions to pay him anything you will know considerably in advance of his being advised that the check will be paid through you.

Yours truly,

JAS. M. DONALD, *Cashier.*

I wish to say further, in endeavoring to ascertain the whereabouts of Mr. Donald yesterday I telegraphed the officers of the Hanover National Bank. When he was before the committee he left word that he was going to Florida and New Orleans. We were not certain where he was, and telegraphed yesterday to the officials of the Hanover National Bank, and we have from the Hanover National Bank this response:

[Telegram.]

NEW YORK, *February 5, 1891.*

TO HON. N. DINGLEY, JR.,
Care House of Representatives:

Have just received dispatch from Mr. Donald saying he is returning to Washington. Should reach there some time during to-night.

WM. I. LIGHTHIFE,
Second Assistant Cashier.

I will say in reference to this we have not been able to find the exact location of Mr. Donald, and therefore did not subpoena him, and his coming is voluntary. I presume he saw the evidence in the papers and he seems to have started immediately for Washington.

TESTIMONY OF HON. JOHN H. KETCHAM—Continued.

Hon. JOHN H. KETCHAM recalled and examined.

By the CHAIRMAN:

Q. Has any Senator or Representative in Congress ever told you or said in your presence that he had bought silver or silver certificates?—A. Never.

Q. Did you ever say to anyone after you left the committee the other day that if the committee had asked you the proper questions, or certain questions they might have asked, you could have given a great deal more information?—A. I have no recollection of having made such a remark.

Q. Have you any other information that you could give the committee on the subject of the investigation?—A. I believe my testimony covers the whole ground.

Q. And covers your knowledge and information?—A. Yes, sir, absolutely.

Thereupon the committee adjourned to meet at 12 m., Friday, February 2, 1891.

ROOM OF COMMITTEE ON RIVERS AND HARBORS, *Friday, February 6, 1891.*

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 12 m., Hon. Nelson Dingley in the chair.

Present: The chairman, Messrs. Payne, Rowell, Peel, and Oates.

TESTIMONY OF J. M. DONALD—Continued.

J. M. Donald, recalled and examined.

By Mr. PAYNE:

Q. You are aware that since you testified before the committee that Mr. James A. Ownbey has been before the committee. You have heard that?—A. I saw it in the newspapers?

Q. Where were you and when did you hear it?—A. I saw it on Wednesday in New Orleans.

Q. In the papers?—A. Yes, sir.

Q. State when you started for Washington?—A. I started on the first train; I left at 6:20 that evening.

Q. And arrived here—A. This morning at 7 o'clock.

Q. Did you come without any summons?—A. I came without any summons from the committee.

Q. I suppose you saw what was sent out in the Associated Press, probably?—A. Well, I saw it in the Picayune in New Orleans, and I suppose that is what the Associated Press sent out.

Q. Did you make an agreement with Mr. Ownbey early in the term of the present Congress by which he was to furnish you with information of the progress of legislation on the subject of silver, and in considera-

tion of which he was to be an equal shareholder in the purchase of silver with you and other gentlemen?—A. No, sir.

Q. Did you state to him that you and several other persons, four or five in all, were to purchase silver bullion or silver certificates to the amount of several million ounces; did you state that to him?—A. No, sir.

Q. And that if he would furnish such information he should be an equal shareholder in the investment, and that if he could not make arrangements to borrow the money to furnish a sufficient sum for his share of the margin, that you would furnish the money and carry it for him as in consideration of his services. A. No, sir.

Q. Or anything in substance like that?—A. Nothing in substance like that.

Q. Did you make a subsequent agreement with him by which you were to carry 245,000 ounces of silver for him, or silver certificates?—A. No, sir.

Q. Or any amount of silver for him?—A. Nor any amount.

Q. Did you ever have any talk with him on the subject of your carrying silver or buying silver for him on his account?—A. He merely asked me to buy silver at times, but I never would buy any for him.

Q. When did he first ask you that?—A. Well, probably in the latter part of April.

Q. April of last year?—A. Yes sir; April of last year.

Q. Did he say he wanted you to carry silver for him or buy it?—A. To buy it for him.

Q. What did you say about that?—A. Well, he was crazy about the price of silver going up and said "now is the time to buy," and that he would like to buy some, and I declined to have anything to do with it.

Q. You told him you—A. Declined to have anything to do with it.

Q. Did he say what amount he wanted you to buy?—A. I think it was probably 10,000 ounces.

Q. Did he say 10,000 ounces?—A. I think that was about the substance so far as I remember, 10,000 ounces.

Q. Did he make a proposition how you were to buy, who was to furnish the margin?—A. No, sir; I vetoed it at once and stopped talking about it.

Q. You say he talked to you more than once on that subject?—A. I can not say; after the bill had passed he asked me to buy some silver for him and I declined to do it.

Q. How long after the bill had passed?—A. I do not know when the bill passed, but I think somewhere along the first days of July.

Q. The bill became a law on the 14th of July.—A. Well, somewhere in there. I declined to have anything to do with it.

Q. Did he state any amount or any terms?—A. No, sir.

Q. Did you tell him you were going into a silver speculation and going to buy silver or become interested in it in any way?—A. No, sir.

Q. Or that other parties were to become interested through you?—A. No, sir.

Q. Or in connection with you in anyway?—A. No, sir; not in anyway.

Q. Did you tell him that any person was about to buy or had bought or proposed to buy silver or silver certificates or silver bullion?—A. No, sir; I didn't know of anybody.

Q. Did you show him any book, either check-book or book of accounts, during all the time that you had business with him?—A. No, sir.

Q. During all last year?—A. During all last year, no, sir.

Q. Or November or December of 1889? A. No, sir.

Q. Did you ever show him any book of accounts?—A. No, sir.

Q. He said you showed him a book of accounts in your bank, in the Hanover National Bank, and it was an ordinary-sized account book, and you laid a blank check or piece of paper over the name at the head of the account and permitted him to see the account, and at the same time told him that that represented a silver transaction with some person, naming him, and the name was a member of the House or Senate.—A. No, sir.

Q. And that you showed him several accounts of that kind.—No, sir.

Q. But you would not let him see the name or tell what the name was.—A. No, sir.

Q. Did any such thing as that occur?—A. No, sir; it never occurred.

Q. Have you or have you had during the past 2 years in your possession at any time a book of accounts representing transactions in silver by any party?—A. No, sir.

Q. Either at the Hanover National Bank or elsewhere?—A. Neither at the Hanover National Bank or elsewhere. I never had a transaction in silver in my life.

Q. Did you show him a check-book or draft-book of yours?—A. Yes, sir; I may have shown him that when I was drawing out a check to get some cash. I have my check-book in my drawer right alongside of me.

Q. That is your individual check-book?—A. Yes, sir.

Q. Have you given him a check from that book?—A. Never from that book. I may have shown him that when I was drawing a check out to get the cash, but I never gave him a check.

Q. What do you mean by "showing," that you drew it out and showed him the book?—A. No, sir; I never showed him the book.

Q. Not in that sense?—A. No, sir.

Q. Then do you mean to say you never showed him the book unless he was in your office and when you were drawing a check from it?—A. That is the only possible way he could see my check-book, as it is locked up all the time.

Q. Did you ever tell him that that check-book in any way represented any transaction in silver?—A. No, sir.

Q. Did it in fact?—A. No, sir; in no way, shape, or form.

Q. Did you ever show him some papers or letters written on the letterhead of the Senate or the House of Representatives and tell him that that letter was from a Senator, naming him or a Representative, giving the name?—A. No, sir.

Q. Or state that that person was "in it" and interested in silver and would vote for the bill?—A. No, sir.

Q. Or anything in substance of any kind like that?—A. No, sir; but I will tell you what did happen—

Q. Tell it right in that connection, although I thought when I got through I would give you an opportunity to state in this connection.—

A. I had better state it exactly at that point. He sat at my desk and saw on my desk an envelope which was addressed to me, a regular Senate envelope, and he kept his eye on it and he said: "I know that handwriting, and I think that is the secretary of Senator so-and-so." I never said whether it was the secretary of Senator so-and-so or not, and never did. Then he said: "If that is so, might not the gentleman inform you?" I said, "Now, if I dared ask the Senator, he would tell me all about it;" but the reason I did not ask the Senator was that I already asked several questions of him and I thought it was time to let

up asking any more questions. You understand I knew the Senator was a pretty busy man and I did not want to bother him. That is that whole instance.

Q. You stated when you were before the committee before that you made some arrangement with him by which he was to furnish information. Did you hand him a memorandum in your handwriting in substance like this: "In what way will Senate instruct the Secretary to invest the \$58,000,000 national bank funds; provision should be made for its investment in Government bonds, say within \$10,000,000 of the total amount?"—A. I think I did.

Q. You think you handed him a memorandum about like that?—A. Yes, sir.

Q. Did you at the same time give him any instructions in regard to silver legislation?—A. No, sir.

Q. Did you ever tell him that you wanted information as to the progress of silver legislation?—A. No, sir; I did not care anything about silver legislation.

Q. In any way?—A. Not in any way.

Q. Did you ever make any bargain with him by which he was to furnish you any information concerning silver legislation from the beginning to the end of this time?—A. Not that I remember.

Q. Did you make any bargain by which he was to furnish you any other information except in regard to the \$58,000,000 national bank redemption fund?—A. He was merely to give me information of the bill in that connection. I had no reason to look after anything else.

Q. You were not interested in silver?—A. No, sir; I had no personal interest in it.

Q. Now, it would seem that Mr. Ownbey drew on your bank through the Bank of the Republic; that on the 2d of April he was credited by telegraphic advice from your bank in the sum of \$50. Do you remember that?—A. Yes, sir; I think I remember that.

Q. What was that \$50 for?—A. He telegraphed over to me and asked me whether I would pay his check for \$100, and I telegraphed back I would pay his check for \$50.

Q. State whether that was the first payment that was made to him on account of this business here.—A. No, sir.

Q. When did you pay him the first on account of that?—A. This business did not start until June; that conference committee did not take place until June.

Q. When did you make arrangements with him that he was to furnish the information?—A. We could not have made it until June; there was no conference committee until that time.

Q. Did your bargain relate purely to the conference committee?—A. It was the only bargain that I made with him.

Q. Did it relate purely to information in regard to the conference committee?—A. Entirely so, sir.

Q. I did not know but what it related to the progress of the bill before it reached the conference committee.—A. The only information I got from Mr. Ownbey prior to that was a copy of the original bill he sent me.

Q. About when was that arrangement made with him for him to furnish you the information?—A. I will not undertake to state, but it was somewhere in June.

Q. Your telegrams are about the 16th or 18th of June?—A. Then it is about that time.

Q. That you first made the arrangement?—A. Yes, sir.

Q. Now to pass that. Do you remember when you made the first payment of money, when he drew first on you through the National Bank of the Republic?—A. No, I can not.

By Mr. PEEL:

Q. Let me ask Mr. Donald a question right there. Did you ever pay him any money either across your counter in New York or through the National Bank of the Republic here on any account, except the \$250 you agreed to pay him for ascertaining such information in regard to points that you were interested in?—A. Let me understand——

Q. Did you pay him any money or anything else, either through your banking house or any one else for any other purpose, except the \$250, you have testified to?—A. Only what money I loaned him.

Q. You loaned him some outside of that?—A. Yes, sir.

By Mr. PAYNE:

Q. Do you remember writing a letter dated December 2, 1889, to the cashier of the Bank of the Republic, at Washington, in reference to honoring a draft of Ownbey's?—A. I do not remember that; no, sir.

Q. (Reading letter:)

We beg to confirm our dispatch of this morning "Upon proper identification cash \$200 draft on us signed James A. Ownbey," all of which we trust will put you to no trouble. We wanted this paid to close a transaction for one of our correspondents.

Yours, truly,

JAMES M. DONALD,
Cashier.

A. If that came from the National Bank of the Republic, signed Mr. Bradley, I wrote such a letter.

Q. The information is from Mr. Bradley.—A. Then I believe it is the letter.

Q. Do you remember the transaction?—A. I think I remember it, but I do not know absolutely.

Q. Do you remember what the transaction was about?—A. If it was any transaction it was that which I testified to the other day, for account of our correspondent in North Carolina.

Q. I had forgotten you testified about that.—A. I testified to that.

Q. That was some private business affair?—A. Yes, sir.

Q. For some party in North Carolina?—A. Yes, sir.

Q. Did you pay the money then on account of that transaction?—A. Yes, sir; entirely on account of that transaction.

Q. Did your correspondent furnish that money; is that the idea?—A. After the transaction was closed their account was charged with it, and that was the end of it.

Q. This was a transaction with a bank, as I understand it, and not an individual?—A. For a bank.

By Mr. PAYNE:

Q. But it was for a correspondent of yours in North Carolina?—A. Yes, sir.

Q. And this money was charged to his account, this \$200?—A. No, sir; these things were kept, and when the matter was concluded, the bank in North Carolina was charged with the total amount.

The CHAIRMAN. You mean it was a correspondent of your bank located in North Carolina?—A. Yes, sir; located in North Carolina.

Mr. ROWELL. It was through their order that the money was to be paid to Ownbey?—A. Yes, sir.

By Mr. PAYNE:

Q. On the 19th of February you seem to have sent the following dispatch:

To C. S. BRADLEY,

Cashier National Bank of Republic, Washington, D. C.:

Please cash check \$45 on us, signed James A. Ownbey, payable to F. B. Alvord.

JAMES M. DONALD,
Cashier.

A. I do not remember that.

Q. You do not remember the transaction at all?—A. No, sir.

Q. Was that any part of the money you loaned him or paid him?—

A. No; I think that is probably this North Carolina matter still. That hung along for some time—for several months.

Q. F. B. Alvord?—A. Yes, sir; but you must remember I do not see the checks and would not know anything about it.

Q. You do not remember anything about that transaction?—A. No, sir; I do not, but I think that must be part of that North Carolina matter.

Q. I wish you would find that out.—A. I would have to look at that. I want the committee to understand that at times Mr. Ownbey drew checks on us which came in and he would furnish the money to make good those checks.

Q. Before he paid them or after?—A. Sometimes before and sometimes after. They were generally for small amounts, but of course you know that. This \$45 might have been one of those checks for all I know. I do not know anything about that check, but the \$200 check was certainly that North Carolina matter.

Q. Now, coming down to this account. April 2 the Bank of the Republic had telegraphic advice to pay \$50. What did you say that was on account of?—A. He asked me to loan him \$100 and I agreed to just pay \$50.

Q. So that was a loan?—A. That was a loan; yes, sir.

Q. And on the 3d of April his check on the Hanover National Bank, dated April 3, 1890, is for \$50?—A. That must be the \$50 check.

Q. There are two payments here, one credited by telegraph to the Bank of the Republic here, and the next day is a check, two sums of \$50 each?—A. I could not testify on that. I know he asked me for \$100 and I agreed to pay \$50 of it. I could not tell you what that was unless I was in New York.

Q. Then on the 7th there is another check of \$50; his checks appear to be numbered, and this is number 18, on the Hanover National Bank, dated April 6, for \$50.—A. I could not tell about that.

Q. Then on June the 18th this check or draft on the Hanover National Bank “authorized to pay by letter of 17th, \$125.”—A. That is on account of this last transaction I have testified to.

Q. How much did you pay him altogether on account of that?—A. The original payment was \$250, and there may have been some small checks outside; he claimed to have expenses, and that might be possibly \$100 more.

Q. The whole items of this account amount to \$275 altogether?—A. The April matter had nothing to do with the June items at all; nothing at all.

Q. How much did you loan him?—A. Well, as far as I recollect it was \$250 and I may have loaned him \$100 more. Of course I am not prepared to say that. I guess \$350 would be the extent of it.

Q. Did you loan him that at one time or at different times?—A. No,

I loaned him money in January and February and he paid that up, and I think in April that he bunched all these sums he owed me and put them in one note of \$250, and then I may have given him \$100 more later on, but I am not able to swear to that.

Q. Did you get any note besides the one for \$250?—A. Yes, sir; I may have two notes or three or four notes.

Q. You got notes for all you loaned him?—A. Yes, sir.

Q. So these notes would show the precise amount you loaned him?—A. Yes, sir; I think so.

Q. You paid him other money besides what he drew through the National Bank of the Republic?—A. Oh, yes, sir.

Q. Do you remember how much you paid him in money at New York?—A. I could not tell you, sir.

Q. How did you pay him there, by money or checks?—A. Well, most of the money was paid by his drawing checks on us.

Q. While he was in New York, even?—A. Wherever he was he would draw a check. He is a great hand at drawing checks, and we have refused many of them.

Q. You have refused some. When did you commence to refuse?—A. Well, I do not know. He would take a notion to draw a check at any time on us.

Q. Did he make a deposit in your bank at any time?—A. No, sir.

Q. Never had a deposit account there?—A. No, sir.

Q. Did you ever give him a blank check book?—A. I think I did; I am not sure about that.

Q. Did you instruct him to keep no account by stubs or otherwise in the check book of the checks he drew, or propose anything of that kind to him?—A. No, sir.

Q. Have you ever given any instructions like that?—A. No, sir.

Q. Did he give any security for any loan?—A. Yes, sir; he gave me a \$50 note of somebody here, that is the only security I got out of him. I did not look to see whether it was good or not.

Q. Was that paid?—A. No, sir.

Q. Is it due?—A. Oh, it is past due.

Q. Did he give you any other security than that?—A. No, sir.

Q. Did you ever tell him at any time or in any manner inform him that any Senator or Representative was directly or indirectly interested in the purchase or sale or the holding of silver in any form, certificates or otherwise?—A. No, sir.

Q. Did you know that any Senator or Representative or officer of the Government or had you any knowledge that any one of them were interested in the purchase, sale, or holding of silver or silver certificates in any way?—A. No, sir.

Q. Did you have any information that any of them were dealing in silver?—A. No, sir.

Q. Did you have any information from Ownbey that any of them were?—A. No, sir.

Q. Did he ever claim from you the profits on any silver transaction?—A. No, sir.

Q. Ever state to you that he was entitled to a share in the profits and you told him that you had been left out of the pool and so you could not help him?—A. No, sir.

Q. And say he had been left out?—A. No, sir.

Q. Or anything of that kind? Did anything of that kind ever occur between you and Mr. Ownbey in any way or manner?—A. No, sir.

Q. Did he furnish you any information in writing with reference to

the silver bill or financial legislation in the way of a bill or anything of that kind?—A. He furnished me a copy of the original bill.

Q. Was that in writing or printed?—A. Printed.

Q. A printed copy of the bill?—A. Yes, sir.

Q. You seem to refer in the telegraph here to something in regard to it. Do you remember sending a telegram, "Can not come; called on jury?"—A. Yes, sir.

Q. This is dated the 16th of June, 1890?—A. Yes, sir.

Q. Had you any talk or correspondence with him about coming to Washington?—A. No, sir.

Q. Why did you send that telegram; in reply to what?—A. He telegraphed me that it was necessary to come here and see about redemption.

The CHAIRMAN. You mean by redemption the provision respecting the redemption fund in the Treasury?—A. Yes, sir.

By Mr. PAYNE:

Q. The same date a dispatch, "Dispatch true, copy received, do not understand 12 hours." What does "copy received" refer to?—A. I give that up.

Q. Mr. Ownbey says it referred to a copy he obtained of what one clause of the bill would probably be; information he obtained from the conference committee in advance of that information which was conveyed in the newspapers.—A. I do not remember that at all.

Q. Do you know whether that refers to a copy of the bill or not?—A. It may have, but I do not understand the dispatch. Will you read it over to me?

Q. "Dispatch true, copy received, do not understand 12 hours; signed D."—A. I do not understand that dispatch.

Mr. ROWELL. If you read the original dispatch and answer you would probably understand.—A. I do not think I would even then; I do not understand it.

By Mr. PAYNE:

Q. (Reading from the testimony):

Q. Now, on the 17th, I will ask you what was the "copy received?"

And his answer was—

I think he referred to a copy of what I believed at the time or had reason to believe was from the silver bill, a certain clause in it, not exactly a copy of the silver bill, but what the bill was to include, or rather what was expected to be incorporated in the bill.

A. I can not recollect anything about that at all.

Q. You do not remember?—A. No, sir.

Q. Did you arrange for a cipher with him?—A. Yes, sir.

Q. You say you did arrange with him for a cipher?—A. Yes, sir.

Q. You had a typewriter copy made for him?—A. Yes, sir.

Q. I suppose you do not remember, or do you remember, what the cipher was?—A. I do not remember exactly; but let me see, it covered—I guess there were five names of States.

Q. Well, "Pennsylvania?"—A. I think it embraced the names of five States.

Q. Do you remember what "Pennsylvania" meant?—A. No, sir; I do not.

Q. "Bill postponed for this week, delayed for this week."—A. I do not remember the cipher at all. It was gotten up on the spur of the moment.

Q. (Reading from testimony):

"New York"—House bill passed with new certificates as legal tender.

A. I probably would think that was correct.

Q. (Reading from testimony):

That means that silver was a legal tender for all debts, dues, and demands.

Or that silver certificates were to be legal tender for all debts?—A. I could not say. I do not know what contention was going on at that time, whether these new certificates were to be legal tender or bullion value.

Q. There was a question whether they were to be legal tender or not?—A. I guess that would about explain it. That is as near as I can get to it.

Q. Was the word "New Jersey" used?—A. Yes, sir; I remember there were the names of five States used.

Q. Did that mean, "House bill passed, the certificates to be bullion value?"—A. Yes, sir; I guess that is about what it was.

Q. "Connecticut, conference committee disagrees?"—A. Yes, sir; I guess that is right.

Q. Well, then you think the cipher was in substance as I have read to you?—A. Yes, sir; I think so.

Q. Now, Mr. Donald, why did you give him a cipher in reference to news about the legal-tender notes and silver certificates if you were only interested in the \$58,000,000 redemption fund?—A. Because, you will notice, I am particular about stating whether it was the House bill or not. Now the House bill was the part that had this provision in it. I do not think the Senate bill had any provision in it at all about that. The original Senate bill had no provision for it at all.

The CHAIRMAN. It was a pure free-coinage bill?—A. Yes, sir; you will understand that is about the only way I could put it.

By Mr. PAYNE:

Q. You say the House bill had the only provision for legal tender, as you understand?—A. Yes, sir.

Q. This was after the House bill had been reported that this cipher was gotten up?—A. I do not know absolutely the time the cipher was gotten up, but it was at the time of the conference committee.

Q. In regard to this printed copy of the bill do you remember whether it was the House bill or the Senate bill?—A. I have no recollection.

Q. Do you remember whether you had seen the House bill?—A. No, sir; I do not. All I knew about the bill was what I saw in the newspapers.

Q. Why were you interested to know whether these certificates would be legal tender for debt?—A. That was an important portion of the bill to know.

Q. An important thing connected with the business of your bank?—A. With the business of any bank in the United States, whether they would draw out the silver certificates or not.

By the CHAIRMAN:

Q. That is, that if they were legal tender you could include them in your reserve?—A. Yes, sir.

Q. And if not, you could not include them in your reserve.—A. Yes, sir; that is right.

By Mr. PAYNE:

Q. I do not see anything in this cipher in reference to free coinage?—A. No, sir.

Q. Did you give him any other written instructions except that memorandum which I read you a few minutes ago?—A. No, sir.

Q. And you say you gave him no instructions in reference to finding out about the free coinage of silver?—A. No, sir.

Q. Who is the assistant cashier of your bank?—A. Mr. William Hawes, jr.

Q. Did you ever have any conversation with Ownbey when Mr. Hawes was present?—A. He may have been in and out of my office; my office is separate from the assistant cashier's.

Q. Did you ever have any conversation with Hawes and Ownbey together, a conversation in which Hawes took part?—A. I do not think so; if Mr. Hawes came in it was only incidentally.

Q. I wish you would state—perhaps you have stated it before—but I wish you would commence at the beginning and give us according to your recollection all the dealings you had with Ownbey and conversations from the commencement of this business?—A. Well, I could not do that.

Q. Well, the substance of them; how you came to become acquainted with him and your business connections from the beginning as near as you can.—A. I got acquainted with him in this transaction for the North Carolina Bank. That hung over for several months and he came in and talked about what was going on at Washington. I took that in as so much gossip, and that went along until about the 1st of April before Mr. Ownbey began to draw checks on us, and I paid those checks, some of them. Along some time in April he said he was going to get \$250 out of some transaction he was going to have in New York, closing out some bonds, I understood, which he was going to sell out, and he would get \$250, and that would pay about what he owed me.

Here the committee took a recess in order to vote in the House.

On the committee's return:

By Mr. PAYNE:

Q. You were stating the conversation—A. Yes, sir; but this is only from my recollection.

Q. Certainly.—A. Afterwards he was not able to pay that \$250, or whatever that sum may have been—I think it was \$250—and he said then that he would have to pay it out of some bill or some money that was coming to him, but he has never paid it yet. I do not think I saw anything of him until probably the early part of June, the first 2 or 3 days of June, and he was talking rabid about silver, and that is all it amounted to, talk, until the afternoon of which I testified before, when he came in and I made this arrangement with him. Since I closed out the transaction I haven't seen him since. I never saw him after the transaction was closed out, which I have testified to.

Q. When you closed out the transaction did you pay him any amount?—A. I do not know.

Q. Do not know whether you paid him anything or not?—A. It was closed out; I do not know how much it was; it may have been nothing and it may have been something, but I really could not state.

Q. If you paid him anything was it to make up, what sum?—A. Just for him to tell me what checks he had given outstanding which were to come in or whatever small sums they were, or whatever it was; I would not want to testify exactly how much it was.

Q. I suppose you could give us the full details of it if you had the books of the bank?—A. Yes, sir; I think it can be furnished to you.

Q. Do you know whether the assistant cashier could give us that from the books?—A. The chances are—I think he could do it.

Q. You think the books of the bank would show it?—A. I think they would.

Q. They would not show your individual loans, of course?—A. No, I do not think so.

Q. Now, altogether you paid him for this information, how much?—A. I testified it was something probably over \$250.

By Mr. ROWELL:

Q. Your contract was for \$250?—A. Yes, sir; and he had rung in some expenses on me.

Q. Was it \$800?—A. No, sir.

Q. Was it more than \$250?—A. It may have been and possibly was \$300, but I would not say it was much more than that.

Q. Did you pay him for anything for expenses outside of this lump sum of \$250?—A. Not to start off on, but he talked about his expenses and drew to pay them.

Q. Did he claim that he had paid any money to any other person to get you information, to W. B. Weitman?—A. I do not remember that name.

Q. Or any other person?—A. No, sir.

Q. Did he tell you—I think you testified to that before—anything about obtaining any information from a clerk of a committee?—A. He said—that was in the original conversation when I saw him first—that he thought he could get this information from the clerk of the conference committee.

Q. Did he ever claim that he had got anything from the clerk of that committee?—A. I do not remember, sir.

Q. In one of the dispatches you say you “do not understand;” did he ever explain that to you?—A. I can not state that he did.

Q. His explanation to us was that he furnished information twelve hours in advance of the newspapers. Do you remember whether there was anything in that?—A. That might have explained it, but I do not understand why he should telegraph me about it.

Q. Did you understand that he gave you any information twelve hours in advance of the papers?—A. No, sir; he did not.

Q. I think you stated the other day you got the same information in the papers that you got from him?—A. I think I did; yes, sir.

Q. And that was true?—A. I believe so, sir.

Q. When did you last see him?—A. Some day in July.

Q. Last July?—A. Yes, sir.

Q. And you state he has never made any claim for any profits?—A. No, sir; not to me.

Q. When he settled with you, did he claim anything further; was there any difficulty or dispute about it or anything of the kind?—A. No, sir; he went out and that is the last I saw of him.

Q. How did you come to loan this amount of money without any security; did you lend that money on your personal account?—A. On my personal account.

Q. Were you acquainted with him before that time?—A. I had been about 4 months.

Q. Did you know what business he was engaged in?—A. No, sir; no more than any man around Washington; that is all.

Q. How did you come to loan him money without security; because

he was a pretty good-looking fellow and you thought he would be good?—A. A man can not explain always why he lends money, and he came and cried, etc., and I —

Mr. PAYNE. What was that?—A. He cried to me, and I suppose I loaned him money more on account of good nature than anything else.

By Mr. ROWELL:

Q. Did you know what business he pretended to be in?—A. No, sir.

Q. He calls himself a broker; did you know of his being in the brokerage business in New York?—A. No, sir.

Q. Did you know anything about his dealing in mining stocks or anything of that character?—A. No, sir; I never heard him speak of mining stocks.

Q. You knew him to be a man about Washington?—A. Yes, sir; I knew him to be a man about Washington.

Q. How did you come to be acquainted before, in regard to this North Carolina matter; was he the agent of that bank?—A. He was doing something for them.

Q. Doing something for that bank down here?—A. Yes, sir.

Q. And on account of the transactions with that bank you paid him money?—A. Yes, sir.

Q. And it was on that account you paid this money?—A. Yes, sir.

The CHAIRMAN. What is the name of this bank in North Carolina?—A. I prefer the committee would not ask that; it has nothing to do with this silver matter—entirely apart from this.

By Mr. ROWELL:

Q. It was simply paid for the North Carolina bank and they were customers of yours, and it was done to accommodate them and on their account?—A. Yes, sir.

Q. Had you up to this time been acquainted with him?—A. No, sir.

Q. When you paid this \$200 check for the North Carolina bank it was on the express statement he was to be identified; you had never known James A. Ownbey before that time?—A. I had seen him several times prior to that.

Q. When did you get acquainted with him?—A. I got acquainted, as I say, somewhere in November.

Q. But it was through that transaction he commenced getting into you?—A. I guess so.

Q. And your loaning him money was loaned out of good nature as a person who appeared to be hard up?—A. Yes, sir; you have got it exactly.

Q. And not connected with any Congressional matters or any speculations in silver?—A. No, sir; not the slightest.

Q. Did you give him the name of other bankers in New York or brokers who were connected in silver speculation?—A. No, sir.

Q. Did you claim to him you had any knowledge of anyone else speculating in silver?—A. No, sir.

Q. By his testimony you were the source of all his information in regard to men, especially Congressmen, engaged in speculation of silver and the formation of silver pools; now I would like for you to say whether or not any portion of that statement is true, whether you gave him any information or pretended to give him any information in regard to any silver transaction.—A. I did not pretend to give him any information; he did all the talking.

Q. He did some talking to you about men engaged in silver business or about the silver bill?—A. About the silver bill, yes, sir.

Q. Did you pretend you knew people engaged in silver speculation?—
A. I do not remember any part of that.

Q. He is a pretty good talker himself?—A. A great talker.

Mr. OATES. A "vocal capitalist" is what one witness called him.

Mr. ROWELL. He seems to be quite lucky in being able to borrow money. Can you tell anything about the way in which he succeeds in getting the confidence of people so that he can borrow money of them?—A. I do not know, sir.

By Mr. OATES:

Q. What impression did he make on you as a broker by crying around you for the loan of \$250?—A. I did not know he was a broker or claimed to be at that time. I only knew him as a man around Washington; I did not know that he was a broker, or had the slightest idea that he claimed or had an office in New York.

Q. Did he ever have a desk in your office at the bank, where he transacted his extensive business?—A. No, sir.

Q. You stated that at one time you were at your desk and you observed him looking at an envelope which you had, on which was marked U. S. Senate, and he said he knew the handwriting.—A. Yes, sir.

Q. Now, did that letter contain anything with reference to the purchase or sale of any speculation in silver?—A. No, sir.

Q. Nothing relating to that subject?—A. No, sir.

Q. Anything relating to the forming of any silver pool?—A. No, sir.

Q. Did you ever enter into any kind of agreement or understanding with Ownbey or anyone else that you would endeavor to form a silver pool by associating with you several gentlemen of means, Ownbey to have an equal share by putting in simply his skill and ability?—A. No, sir.

Q. He testified to such an arrangement—that he put an injunction on you that nothing less than 1,000,000 ounces of silver was to be bought.—
A. I say I do not remember any such talk with him, and I certainly could not have any knowledge of any such an arrangement with him.

Q. Do you know anything about him further than this transaction which you have related?—A. No, sir, I do not know anything more about him.

Q. Do you know him as a man of truth and veracity or otherwise?—
A. I prefer not to make any comments on him at all.

Q. I ask you to state from your knowledge of him that fact, what your estimate of him is. Do you think he is reliable in his statements or not?—A. No, sir, I do not think he is reliable in his statements.

By the CHAIRMAN:

Q. In speaking of this letter which was lying on your table with "United States Senate" printed on the outside of the envelope, which attracted his attention and the handwriting of which Ownbey stated he knew?—A. Yes, sir.

Q. You have stated that that letter contained nothing relating to silver speculation or anything of that kind?—A. Yes, sir; it did not.

Q. Have you any objection to stating what that letter did contain, and whether it was a reply to a letter from you?—A. Probably a reply to a letter from me asking something about proposed legislation.

Q. You wrote to some Senator asking what the prospect of legislation would be, and this was his reply, giving the information as to the progress of legislation?—A. That is all, sir.

By Mr. OATES:

Q. Did you get any information about the progress of legislation through Mr. Ownbey any earlier than you got them through the newspapers or other sources?—A. I thought at that time I could, but I didn't.

Q. He made you believe you could get that in advance?—A. He made me believe he could give me information in advance of what the conference committee would report.

Q. Did he ever send to you any paper purporting to be a disclosure of inside matters before it became public?—A. He did not.

Q. Did he send or furnish to you any paper containing any information on legislation?—A. The only paper I remember was a printed copy of the bill.

Q. The original bill?—A. Yes, sir; the original bill.

Mr. OATES. And you could have gotten that from the document room over here if you had asked for it.

By Mr. PEEL:

Q. Did any Representative or Senator or any employé of the Government ever make any proposition to you directly or indirectly to buy silver for them?—A. No, sir.

Q. Or to carry it for them or for some one else to do it for them?—A. No, sir.

Q. Did your bank?—A. No, sir.

Q. You were asked, I believe, how Mr. Ownbey came to get into your confidence so that you loaned him money. In the way of suggestion I suppose he had this transaction for the North Carolina bank prior to your loaning him money.—A. No, sir; prior I loaned him some money, but he paid that back.

Q. Was it not the fact that he was representing business for some other bank, one of your correspondents, that gave you a little more confidence in him and caused you to loan him small sums, or did it have anything to do with it?—A. No, sir; I just loaned him that on good nature; that was all.

By the CHAIRMAN:

Q. In regard to this letter I understand you simply wrote it to this gentleman asking for information as to what the probabilities were as to financial legislation?—A. That is all.

Q. And this reply was simply that the gentleman gave his idea of the probabilities of legislation?—A. That is all, sir. That is the kind of letters I wrote.

By Mr. PAYNE:

Q. Did you tell Ownbey you had a Senator or Representative here from whom you got information?—A. No; let me go on and tell you how little I could do. I only know one Senator, and I only know two Representatives. If anybody should ask me to give the name of a dozen Representatives to-day in the House, I could not give you the names, which shows you how little I know about it. I never wrote a letter to one of the Representatives, and to only one Representative and to one Senator, and I never had written a letter except for the matter entirely of finding out about the progress of legislation, and suggestions about this section of what was originally the Dingley bill being added to it; that that was an absolute necessity, because we could readily see that we were coming to panic times, and that there was no use talking about it. Now that is all the correspondence that I have

had, and as I have testified to, I thought that I had bothered the Senator enough, and I did not want to bother him any more, and I wanted to get this information. You now have it as concisely as I can give it to you.

Q. Did you tell Ownbey you had a private agent here?—A. Oh no, sir.

Q. Did you ever have a private agent here?—A. No, sir.

By Mr. OATES:

Q. Did you ever come over here yourself to work at it?—A. No, sir; all the times I have been in Washington I have never called on but one of our Congressmen, and that time Mr. Dingley was present, and that was two years ago, when I called at the Hamilton just to pass the time of day. It was just a call simply to pass the time of day and then I went out, and that is the only occasion on which I called on any of our Congressmen in Washington.

The CHAIRMAN. You did not call on me then?—A. No, I did not call on Mr. Dingley then. I merely went into the smoking room and my friend turned around and said, "I want to make you acquainted with Governor Dingley," and I said, "all right." That is all, and I passed right out.

I am much obliged to the committee for their attention.

Here the committee adjourned until 2 p. m. Saturday, February 7, 1891.

ROOM OF COMMITTEE ON RIVERS AND HARBORS,
Wednesday, February 11, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m., Hon. Nelson Dingley, jr., in the chair. Present, the Chairman, Messrs. Payne, Rowell, Peel, and Oates.

STATEMENT OF HON. G. W. E. DORSEY—Continued.

The CHAIRMAN. Mr. Dorsey desires to make an additional statement before the committee.

The WITNESS. Mr. Chairman and gentlemen of the committee, I desire to call the attention of the committee to an Associated Press dispatch which I read yesterday morning in the New York Tribune on my arrival in the city in which Mr. Ownbey, who is somewhat notorious and not unknown to fame at this time, is reported as saying—

I had not been in Washington an hour before Congressman ———, naming a well known Nebraska member, came to me and said: "Ownbey, if, before you go on the stand, you manage to forget what you know about the silver pool there will be \$2,500 in money for you." I told him I did not need the money.

Now, so far as Mr. Laws and Mr. Connell, of the State of Nebraska, are concerned, I am satisfied they never saw Mr. Ownbey or made such a remark. I have known Mr. Ownbey's face for some 3 or 4 years and have met him in hotel corridors, but I never knew his name until I saw him here in the charge of the Sergeant-at-Arms a prisoner. Mr. Holmes, the Sergeant-at-Arms, met me in the lobby and said, "Ownbey is here; come and see him." As a matter of curiosity I went into the office of the Sergeant-at-Arms with Mr. Holmes and Mr. Ownbey was there, surrounded by a dozen or 15 members of the House and quite a number

of persons, as the office was filled. Ownbey I at once recognized as the same party I had met here in Washington for the last 3 or 4 years, but whose occupation I did not know. I did not know whether he was a member of the press or whether he was a capitalist, for at times he has come to me and asked for information regarding pending legislation, the tariff bill, and the silver bill, and other matters, and at times I have heard him proclaim to a number of gentlemen of a great scheme he was manipulating and working, and that there was millions in it for him and all the rest that would go into it with him.

When I went into the office of the Sergeant-at-Arms he said, "How are you, Mr. Dorsey," and he said, "Is Mr. Mason on the floor of the House? I want him." I said, "I have not seen Mr. Mason to-day." He went on talking to the parties around him, showing papers, etc. I remained I suppose in his presence 30 seconds all told. The only thing I said to him was the reply to the question that Mr. Mason was not on the floor of the House. Mr. Holmes stood alongside of me while I was talking, and I then turned and went back to the floor of the House. The next day I saw Mr. Ownbey standing in front of the Speaker's desk, making his explanation. I have not seen him since or spoken to him. This is the only conversation I had, and it was in reply to an inquiry that was proper for him to make, and if I am the member alluded to by Mr. Ownbey I pronounce him an infamous liar and all that that implies. I never discussed this question of the investigation with Mr. Ownbey; I never spoke to him for weeks before I saw him in the office of the Sergeant-at-Arms, where I went on the invitation of Mr. Holmes, just to gratify my curiosity to see the man who had become so notorious.

Now, I believe that is all I have to say in reference to Mr. Ownbey. I never offered him a cent and it never entered my mind to offer him a cent. I had no interest in this, as I have already stated, from the fact that I know nothing in reference to any silver purchase, except of my friend sitting over there (referring to Mr. Hedenburg) who showed me a certificate and said he bought it. I have no interest whatever in this matter further than to get the truth, but I fear you will never get anything truthful out of this man Ownbey. Now, if the committee desire to ask me any further question touching this matter, I would like for them to do it, for I think it is outrageous that a member of the House should be paraded by an implication like this. I understand I am the man referred to, although the name is not given, and I am satisfied that it is neither of my colleagues, for they never met or saw Ownbey.

By Mr. PAYNE:

Q. Did you ever go to any person, any gentleman, either Senator or member, to get them to have this investigation stopped or to prevent the investigation?—A. I never did; no, sir.

Q. Never exchanged a word with any man on that subject with regard to stopping the investigation or preventing it?—A. No, sir; never.

Q. From the time the resolution was introduced into the House up to the time that the resolution was adopted?—A. I never did, because I had no interest. I may have discussed the resolution with members and Senators, as I have talked probably with yourself and Mr. Rowell and other members on our side. I do not remember ever talking to any Senator about the silver matter except in a casual way, as asking what was doing or something of that kind.

Q. Did you ever go to Senator Cameron and ask him to stop this investigation?—A. No, sir; I never asked Senator Cameron to stop it. I had

a talk with two Senators—Senator —— (I will not give the name)—soon after the investigation was started, and they commenced to twit me about the House investing in silver. They said, “You members of the House have been speculating in silver,” and I said, “And you Senators tried that on; we have got our share of it.” Holding up the reputation of the House against the Senate, jokingly, of course, and one of them said to me, “What does Dockery mean by this business?” “Well,” said I, “the impression on our side seems to be that he is after one of your colleagues,” whose election then for United States Senator was then pending. “Is that so?” said he; I said, “Yes, that seems to be the impression over here, and you had better keep your eyes on that man Dockery, for he is a bad man;” of course I said that jokingly, and that was the extent of the conversation. If you had asked me about that conversation when I was here before it had passed from my mind, but since this came out, one of those Senators who was present and heard this conversation reminded me of it a few nights since, and said, “Do you remember what you said about that?” And I said, “Yes; I do now.” “Well,” he said, “that does not look like Dockery was after Vest,” and I said, “No, I guess not; I guess Dockery was after some one else.” And that is the extent of the talk I had with those Senators.

If the chairman will pardon me a moment, if the committee desire to exonerate the committee from charges of Mr. Ownbey, if you will summon some 15 or 20 gentlemen around town who know Mr. Ownbey fairly well and have for many years, you can impeach his testimony, for I am satisfied every one of them will swear that they would not believe him on oath.

TESTIMONY OF PHIL. B. THOMPSON, JR.

PHIL. B. THOMPSON, Jr., sworn and examined.

By Mr. ROWELL:

Q. Do you live in the city of Washington?—A. Yes, sir.

Q. An ex-member of Congress?—A. My residence is in Kentucky, but I spend my time here, as I practice law here.

Q. You are an ex-member of Congress?—A. Yes, sir.

Q. Are you acquainted with James A. Ownbey?—A. Yes, sir.

Q. How long have you been acquainted with him?—A. I first met him in the summer of 1885.

Q. Have you been pretty well acquainted with him?—A. Yes, sir; tolerably well.

Q. Do you know his general reputation for truth and veracity among people with whom he associates?—A. Well, I would like to submit to the committee whether or not, under the scope of the resolution, the committee has the right to investigate the character of Mr. Ownbey. The resolution is for an investigation of a silver pool.

Mr. ROWELL. The question is, when we get a witness in regard to the silver pool we have a right to investigate the character of that witness, I suppose.

The CHAIRMAN. There is a conflict of testimony between the testimony of Mr. Ownbey and various other gentlemen, and the committee desire to know something about the credibility of several witnesses and to know what weight to give to the testimony.

Mr. ROWELL. I suppose in any litigation where there is an issue joined and any witness gives testimony in regard to that issue, then that

witness's character is a legitimate matter for investigation, hence I ask the question. The question is, are you acquainted with the general reputation for truth and veracity of Mr. Ownbey amongst the people with whom he associates?—A. Well, I can say I believe I am to some extent.

Q. What was that reputation, good or bad, for truth and veracity?—A. Well, it is not good.

Q. From what you know of the man and his reputation, how would you regard his word in a matter where you felt any personal interest; would you regard it as reliable or unreliable?—A. I think Mr. Ownbey among those who know him is regarded as a romancer.

Q. His testimony in any case where you felt a personal interest would have to be taken with some degree of allowance?—A. I will not say as to his credibility under oath.

Q. But his credibility as a man outside, his statement?—A. Well, it is just as I say, he is regarded rather as a romancer.

By Mr. PEEL:

Q. You mean by that he indulges in extravagant statements and plans without much foundation for them?—A. That is exactly what I mean.

Q. Deals in fiction?—A. Very largely. That is the general understanding, I think, with those he is acquainted, that he has large schemes which have not got a basis, which he talks about, a great many of them, and there is not any genuine real foundation under them, and on that account everything that he says, as you say, is taken with some degree of allowance about those matters.

TESTIMONY OF J. A. RUDD.

J. A. RUDD, sworn and examined.

By Mr. ROWELL:

Q. Where do you live?—A. St. Louis, Mo., when at home. I am temporarily here.

Q. Are you acquainted with Mr. Ownbey, the witness who has been examined before this committee?—A. Yes, sir; partially.

Q. How long have known him?—A. I have known him around town for 5 or 6 years.

Q. Fairly well acquainted with him?—A. Tolerably, but not intimately at all.

Q. Do you know his general reputation for truth and veracity among the people with whom he associates?—A. I only know what they say, what I hear them say.

Q. What is his reputation among people who know him; is it good or bad?—A. It is not good.

By Mr. PEEL:

Q. You mean by that that those who seem to know him do not place much confidence or reliance in what he says about schemes and plans, and things?—A. Yes, sir; I have heard persons say that he was in the habit of giving checks on banks and they would come back protested, and that they had no confidence in anything he would say or do.

TESTIMONY OF L. ZIMMERMAN.

L. ZIMMERMAN, sworn and examined.

By Mr. PAYNE:

Q. You are a member of the firm of Zimmerman & Forshay?—A. Yes, sir.

Q. And they are brokers in New York City?—A. Bankers and brokers.

Q. They buy and sell on commission, I suppose?—A. Yes, sir.

Q. Did they deal in silver or silver certificates on commission during the past year?—A. Yes, sir; extensively.

Q. Did they ever have any transactions in silver bullion or silver certificates on account of any member of the House of Representatives or any Senator?—A. No, sir; never.

Q. Never did?—A. Never did.

Q. Or any officer of the Government?—A. No, sir.

Q. Directly or indirectly?—A. No, sir.

Q. You would be apt to know?—A. I guess I would be apt to know.

Q. You are the managing man?—A. Yes, sir; of that particular branch of the business.

Q. Do you know whether they were connected with a silver pool, I mean the firm itself?—A. No, sir.

Q. Do you know of the existence of any association of persons for the purpose of purchasing silver or silver certificates during the pendency of the legislation in Congress during the past year?—A. Only on the rumor which was current on the street at the time.

Q. Have you any knowledge?—A. Knowledge only of rumor that there was such a thing, but I do not know any person who was interested.

Q. Then you have no knowledge except rumor?—A. Only rumor.

Q. Rumors where?—A. In the stock exchange.

Q. During the pendency of the legislation?—A. Well, I can not say at present whether it was during the pendency of legislation or shortly after.

Q. After the bill had passed?—A. Yes, sir; I am not certain of that.

Q. Well, I will ask you the further question whether you purchased for members of Congress of either House after the passage of the bill either silver certificates or silver bullion or anything representing silver?—A. No, sir; I never did at any time for any member of the House of Representatives or Senate.

Q. Do you know who owns the silver bullion or silver certificates or any part of it now?—A. It is impossible to say who owns it, as it is so scattered; everybody has a little.

Q. Or silver certificates. Silver certificates are bought and sold on the stock exchange every day?—A. Yes, sir; they change hands. One man buys to-day and sells out and makes a profit or a loss to-morrow and they change hands like ordinary stock.

Q. Do you know where any considerable amount is held to-day?—A. I do not.

Q. Do you know where any silver bullion is held except what is held in the Mercantile Safe Deposit Company which issued certificates?—A. I think there is a quantity of silver at Wells, Fargo & Co. and the American Exchange National Bank.

Q. You understand Wells, Fargo Co. ship it for their customers and sell it in New York?—A. Their customers ship it to them and they sell it; they get it on consignment.

Q. And they sell for their customers?—A. Yes, sir.

Q. Do you know of their holding much otherwise than for their customers?—A. No, sir; I did not. They are regular dealers in it and they come around to us.

Q. Do they deal in it outside of their dealing for their customers?—A. That I do not know, but not to my knowledge.

Q. And this American Exchange National Bank?—A. They also get consignments from various mines, and sell the bullion as it arrives. Sometimes they hold it at the option of the holder when a certain price is reached and they want to sell; then they sell the bullion then.

Q. Then the silver that is held both by the American Exchange Bank and by Wells, Fargo & Co., so far as your knowledge extends, is silver that is owned by the original mine owners?—A. Yes, sir.

Q. And shipped and consigned to them and not yet sold?—A. Not yet sold.

Q. Have you any information as to the amount held by Wells, Fargo & Co.?—A. I have not any idea.

Q. Or as to the amount held by the American Exchange National Bank?—A. I have no idea.

Q. Do you know of any other party or corporation holding it in like manner?—A. I do not.

Q. New York or elsewhere?—A. I do not.

By Mr. PEEL:

Q. I do not know whether I heard all of your statement or not. I believe you stated your bank or corporation has not bought or sold any silver bullion or certificates representing it during the pendency of legislation?—A. Oh yes; we have bought. We have been dealing very extensively from the beginning until this date. It is part of our business. We export and import bullion as the occasion demands.

Q. I believe you stated in answer to Mr. Payne that you never knew of a Representative of Congress or Senator or employé of the Government being interested in transactions in silver?—A. Yes, sir; that is it.

Q. Do you know of any member of Congress or Senator or employé of the Government dealing in any foreign exchange representing silver bullion?—A. No, sir.

Q. Do you know of any silver bullion, silver certificates, or foreign exchange representing silver bullion, being carried for any member of Congress or official of the Government for any profit?—A. I have no knowledge of that whatever.

Q. You know then of no transaction of any kind directly or indirectly by any member of Congress or Senator in regard to the sale or purchase of silver bullion or its representatives?—A. I do not.

By Mr. ROWELL:

Q. Your books are kept so as to show with whom you deal?—A. Yes, sir.

Q. And there is no covering up of names or anything of that kind?—A. No, sir; they are at your disposal.

Q. So you can give the same testimony that your books would give and disclose all they would disclose in that regard?—A. Certainly.

By Mr. OATES:

Q. Do you know Mr. James A. Ownbey?—A. I have heard very much of him, but I do not know him.

Q. Did your house ever have any business transactions with him?—
A. Never.

Q. Did you ever employ him?—A. Never.

The CHAIRMAN. There are other witnesses who, I am informed, will not be here until to-morrow and the next day; therefore the committee will stand adjourned until 2 o'clock to-morrow afternoon unless called together earlier.

Thereupon the committee adjourned to meet on Thursday, February 12, 1891, at 2 p. m.

ROOM COMMITTEE ON RIVERS AND HARBORS,
Thursday, February 12, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m., Hon. Nelson Dingley, jr., in the chair.

Present, the chairman and Messrs. Payne and Oates.

The CHAIRMAN. I have a letter from Mr. Clews, accompanied by an affidavit.

The letter was as follows:

BANKING HOUSE OF HENRY CLEWS & CO.,
13 and 15 Broad Street, New York, February 11, 1891.

HON. NELSON DINGLEY, JR., *Chairman*:

SIR: Inclosed please find my affidavit, which I trust will be accepted as an excuse for not appearing before the committee to-morrow, in answer to telegraph lately received, and I am greatly in hopes that my attendance before the committee can be dispensed with.

Very respectfully,

HENRY CLEWS.

The affidavit was as follows:

UNITED STATES OF AMERICA,
City, County, and State of New York, ss:

Henry Clews, being duly sworn, deposes and says, that he is not able to go to Washington in answer to the request of the Sergeant-at-Arms to appear and testify before the House committee examining witnesses on the subject of purchases of silver by any member of the House of Representatives or of the Senate, by reason of a severe cold, which is settled upon his chest, and he greatly fears that the exposure of travel to Washington would seriously injure his health; nevertheless, he is quite willing to give any and all information in his power concerning the question before the committee. He further deposes and says that he has no knowledge or information upon which he can found a belief as to any purchases or sales of silver or other bullion by any member of either House, or by any one for or on account of any member; that deponent believes, and is so advised, that by Monday next he may safely travel to Washington and appear before the said committee, and he respectfully asks to be excused until then.

HENRY CLEWS.

Subscribed and sworn to before me this 11th day of February, 1891.

[SEAL.]

J. M. GUTEAU,
Notary Public, New York County.

Mr. OATES. I move that the affidavit be received and incorporated with the evidence, and that Mr. Clews be excused from further attendance.

The CHAIRMAN. Without objection, therefore, the affidavit of Mr. Clews will be incorporated in the evidence and Mr. Clews will be excused from personal attendance.

The Sergeant-at-Arms informed me a few minutes ago that he had a

telegram from Mr. White, who was requested to appear, saying he could not be here to-day, but that he would come, I think, on Monday. I will send and get the telegram. (The telegram was sent for.) The Sergeant at Arms gives me the following telegram directed to him from S. V. White :

NEW YORK, *February 11, 1891.*

Hon. A. J. HOLMES, *Sergeant-at-Arms, House of Representatives :*

A highly important meeting of railroad directors needing me for quorum meets Friday afternoon. If possible, have me excused till Monday, when I will absolutely be present. Please answer quick.

S. V. WHITE.

The CHAIRMAN. Without objection, Mr. White's request that he may be excused until Monday will be granted.

Thereupon the committee adjourned to meet Monday, February 16, 1891, at 2 p. m., unless called together sooner by the chairman.

ROOM OF COMMITTEE ON RIVERS AND HARBORS,
Monday, February 16, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., met this day at 10 a. m. by call of the chairman. Hon. Nelson Dingley, jr., in the chair.

Present, the chairman, Messrs. Payne, and Peel.

TESTIMONY OF HON. S. V. WHITE.

Hon. S. V. WHITE, sworn and examined.

By Mr. PAYNE :

Q. Do you reside in Brooklyn ?—A. Yes, sir.

Q. And you do business in the city of New York ?—A. Yes, sir.

Q. Bankers and brokers ?—A. Yes, sir.

Q. And the firm's name, I believe, is S. V. White & Co. ?—A. Yes, sir.

Q. I suppose your firm dealt somewhat as brokers in silver certificates and silver during the past year ?—A. Yes, sir.

Q. Mr. Taylor, of Illinois, has testified that he bought some silver through you in July ?—A. Yes, sir.

Q. And sold it subsequently. I suppose you have seen his evidence ?—A. I saw it reported in the newspapers and compared it with my ledger, and found he was absolutely correct.

Q. He bought on the 17th of July he said, 2 or 3 days after the bill passed ?—A. I do not know when the bill passed, but I verified what he stated.

Q. You verified the dates ?—A. Yes, sir.

The CHAIRMAN. And it was sold as indicated ?—A. Yes, sir.

By Mr. PAYNE :

Q. The dates as you saw them in the papers you have compared with the ledger and found accurate ?—A. Yes, sir.

Q. Of course you have a general run of your business ?—A. Yes, sir.

Q. And access to the books ?—A. Yes, sir.

Q. I suppose you have examined the books in regard to this matter ?—A. Yes, sir ; I want to say we have had but very few members

of Congress accounts on our books, ever. I want right here in connection with the testimony of a man from——

Q. Mr. Hedenburg?—A. Yes, sir.

Q. He is present.—A. I want to say in connection with that, that there must have been a misunderstanding I think as to what Mr. Hopkins stated, although, of course, I cannot testify as to what he said, because we never did have an agent in Washington, as he seemed to think. We never had an agent directly or indirectly for any business, and I have never solicited business from any member of Congress or Government employé or resident of the city of Washington in my life.

Q. I suppose if you had received an order from any broker in Washington in a proper business way you would have executed it?—A. Yes, sir; but we had no business agent in Washington at all; we had no agent at all. That is absolutely true without imputing any intentional misrepresentation at all.

Q. Do you know anything about the existence of a silver pool at any time during the past year?—A. No, sir; I never heard of a silver pool until I heard of this investigation, either in Congress or out of it.

Q. You have no knowledge or information outside of what you have heard in the newspapers?—A. No, sir.

Q. Did your firm purchase any silver or silver certificates for any member of Congress during the past year?—A. I have examined the account of every member of Congress we have on our books before I came here, either Representative, Senator, or Government employé, and there is not a dollar on any account of silver they have bought or sold.

Q. Aside from Mr. Taylor?—A. Yes, sir; which I have already testified to.

The CHAIRMAN. You have no knowledge of any having been bought or sold for any Senator or Representative or employé or official of the Government?

A. No, sir.

By Mr. PEEL:

Q. Do you have any knowledge where the silver certificates or bullion is now lodged—who has charge of it?—A. No; I am under the impression that the Western National Bank registers the certificates. I never have looked, however, carefully at the certificates. We have handled very few considering the amount of business we do in stock. They are lodged on deposit, I think, in the Merchantile Trust Company and they issue certificates, and they are registered by the Western National Bank. I am giving you my general impression.

Q. That is your general knowledge of it?—A. Yes, sir.

Q. I believe you say you know of no combination or organization of persons for the purpose of promoting silver legislation or speculation in silver bullion or of a silver pool or anything of the kind in which any member or Senator was interested?—A. No, sir; I never knew of anything of the kind.

The CHAIRMAN. Has any Senator or Representative in Congress or official of the Government ever told you he speculated in silver, buying silver bullion, or certificates?—A. No, sir.

Thereupon the committee adjourned to meet at call of the chairman.

ROOM COMMITTEE ON RIVERS AND HARBORS,
Tuesday, February 24, 1891.

The special committee appointed to investigate certain alleged silver pools, etc., this day met at 2 p. m. at the call of the chairman; Hon. Nelson Dingley, jr., in the chair.

Present, the chairman, Messrs. Payne and Rowell.

Senator John P. Jones appeared voluntarily before the committee.

TESTIMONY OF HON. JOHN P. JONES.

Hon. JOHN P. JONES, sworn and examined.

By Mr. PAYNE:

Q. You are a Senator from the State of Nevada?—A. Yes, sir.

Q. And a member of the Senate during the pendency of the silver legislation of last session?—A. Yes, sir.

Q. Do you know anything of the existence of a pool, or syndicate, or any other organization of men for the purpose of buying silver or silver bullion during the pendency of that legislation?—A. Absolutely nothing whatever.

Q. Or of any member of the House or Senate being connected with it?—A. Never heard of such a thing except through newspaper reports.

Q. I suppose you know James A. Ownbey?—A. I have simply seen him about Washington; I first met him in Washington. He came to me one day perhaps 4 or 5 years ago and told me he had worked for me in mining, I think, the Comstock lode, and introduced himself to me saying he remembered me very pleasantly; and I said probably that was so, but as we had hundreds and thousands of men at work I did not remember him.

Q. Do you know anything about his being interested in silver purchases?—A. I do not think I saw him during the whole pendency of the silver bill.

Q. Are you able to say you had no transactions during that time with him?—A. Not the remotest.

By Mr. ROWELL:

Q. Your State is largely engaged in the production of silver?—A. Yes, sir.

Q. Are you pretty well acquainted with the silver producers there—the men who have silver for sale generally?—A. Oh, yes, sir.

Q. Is your acquaintance and intimacy with these men such as would reasonably give you information of the amount of silver and the ownership thereof, and whether there was a silver pool?—A. Absolutely; for I am quite sure if there had been any silver pool they would have come to me and they would have said, "We are going to do all we can to promote legislation." I am sure there was no silver pool in Nevada during the pendency of silver legislation, and without hesitation I can testify that no such thing existed.

Q. Do you at the same time know the brokers and bankers who handle silver in New York?—A. No, sir; I was in New York but once, I believe, last session.

Q. So your information in reference to the silver is in regard to silver producers rather than the dealers of New York?—A. I am not acquainted with the dealers at all.

Q. In regard to Ownbey, you say you met him some 5 years ago?—A. He has been around Washington, living from hand to mouth, borrowing and skirmishing, and I simply knew him when I saw him, and paid no attention to anything he said, but I had no conversation with him whatever about silver.

Q. Were you aware he was one of the prominent silver workers in the silver legislation around Washington last summer?—A. I never heard of him in connection with the subject at all; I do not believe he had any information that anybody else did not have; I do not believe it would be possible.

By the CHAIRMAN:

Q. Have you any knowledge or information of any Senator or Representative having purchased silver during the pendency of silver legislation of last summer?—A. I never have had any conversation with any Senator or Representative on the subject whatever.

Q. You have no knowledge on the subject?—A. No knowledge on the subject.

Q. No Senator or Representative ever told you he had purchased silver during the pendency of silver legislation during last summer?—A. Frequently in the cloak room of the Senate we discussed what would be the probable effect if the silver bill should pass; some Senators maintaining even if the free coinage bill became a law it would produce a decline in silver, the silver men contending that silver would advance to a parity with gold, \$1.29. There was that contention, and I heard them say, "If I thought that I would go and get some." It was simply not a matter of advantage of knowledge that any man had, but a matter of judgment whether he should buy or not. It was not that a man had any advantage by being in the Senate, because the newspaper men around the Capitol and those whose business it is to find out the standing of bills, probability of their passage, etc., know even more than the silver or gold men about the probability of the passage of these bills.

Q. I understand you to say you had no knowledge or information that any Senator or Representative bought silver pending silver legislation of last summer?—A. No, I have no knowledge. Perhaps I might say that for 25 years I have been engaged in very large operations, sometimes involving a great loss and sometimes some profit, and that especially during the last 6 or 8 years in the region in which I live it has been a very close business to make both ends meet, the price of silver being down and the cream of the mines having been taken away.

By Mr. PAYNE:

Q. You speak of mining operations?—A. In regard to mining operations there.

Q. And not of speculations, buying and selling silver?—A. In speculations in this way: in watching the market they would frequently hold the silver until the China steamers would go out, etc. The producers have telegraphed me during the pendency of the silver bill asking what I thought of the probabilities, and I telegraphed them that the probabilities were that there would be some legislation that would be favorable to silver and probably advance its price, because under the old law of political economy if you have a produce and the demand is increased, and there is not a corresponding increase of supply, you are going to increase its price.

Q. That was only in relation to the products of the mines; it was not in regard to the purchase of silver?—A. These people would purchase

silver if they thought they could make anything out of it; it was a mere matter of judgment. Now, I think I have nothing more that would shed any light upon this subject at all.

The CHAIRMAN. It will be remembered that by direction of the committee I telegraphed Hon. E. H. Conger, United States minister at Brazil, requesting him to cable to the committee the names of the persons referred to in his statement in debate in the House of Representatives June 24, 1890, that "I have been invited time and again to join silver pools." I will place his answer in the evidence to be reported to the House, as follows:

RIO JANEIRO, *January 26, 1891.*

Hon. N. DINGLEY, Jr.,
Chairman Committee:

Proposals were confidential. I can not, therefore, give names.

E. H. CONGER.

Thereupon the committee adjourned subject to the call of the chairman.

House documents

Bd.: [423.] 1890/91, Vol. 5 = Congress 51, Sess. 2

Washington, DC 1891

Am.b. 3040-423,5

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